DOCUMENT RESUME

ED 251 222 PS 014 758

TITLE Hearings on a Bill to Make Permanent Certain Child Nutrition Programs. Hearings before the Subcommittee on Elementary, Secondary, and Vocational Education of the Committee on Education and Labor. House of Representatives, Ninety-Eighth Congress, Second Session on H.R. 7 (March 6, 7, and 13, 1984).

INSTITUTION Congress of the U.S., Washington, D.C. House Committee on Education and Labor.

PUB DATE Mar 84

NOTE 134p.; For a related document, see PS 014 770.

PUB TYPE Legal/Legislative/Regulatory Materials (090)

EDRS PRICE MF01/PC06 Plus Postage.

DESCRIPTORS Adolescents; Block Grants; *Budgeting; Camping; Children; *Day Care; Early Childhood Education; Elementary Secondary Education; Family Day Care; Family Income; Federal Legislation; *Federal Programs; Hearings; *Lunch Programs; Nonprofit Organizations; *Nutrition; Nutrition Instruction; Older Adults

IDENTIFIERS *Child Nutrition Programs; Commodity Distribution Program; Congress 98th; Department of Agriculture; Food Distribution Programs; Proposed Legislation

ABSTRACT

This report documents hearings concerning H.R. 7, amending the National School Lunch Act and the Child Nutrition Act of 1963. This bill (the text of which is included) proposes to make permanent five child nutrition programs: the Women, Infants, and Children Feeding Program (WIC); the Commodity Distribution Program; the Summer Feeding Program; State Administrative Expenses; and the Nutrition Education and Training Program (NET). Representatives presented the views of the United States Department of Agriculture (USDA), which preferred a 1-year reauthorization of the programs. Other prepared and live testimony concerned the following: the requirement that 3 percent of all applicants to the School Lunch Program have their income verified; means testing for parents whose children in family day care receive aid through the Child Care Food Program; and the effects of terminating USDA sponsorship of the programs. Budgeting concerns included restoration of funds for NET and food preparation equipment and increasing funds to reduce students' cost for the reduced-price school lunch and to reach increasing numbers of poor children eligible for WIC. Discussion with committee members concerned the possibility of a compromise 4-year reauthorization of the programs, the effects of a block grant for child nutrition, and the possibility of combining nutrition programs for children and the elderly. (CB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

PS

HEARINGS ON A BILL TO MAKE PERMANENT CERTAIN CHILD NUTRITION PROGRAMS

ED251222

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☒ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

- Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

HEARINGS

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

H.R. 7

To make permanent certain of the authorizations of appropriations under the National School Lunch Act and the Child Nutrition Act of 1963

HEARINGS HELD IN WASHINGTON, DC, ON MARCH 6, 7, AND 13, 1984

Printed for the use of the Committee on Education and Labor

PS 014758

U.S. GOVERNMENT PRINTING OFFICE
35-839 O WASHINGTON : 1984

COMMITTEE ON EDUCATION AND LABOR

CARL D. PERKINS, Kentucky, *Chairman*

AUGUSTUS F. HAWKINS, California
WILLIAM D. FORD, Michigan
JOSEPH M. GAYDOS, Pennsylvania
WILLIAM (Bill) CLAY, Missouri
MARIO BIAGGI, New York
IKE ANDREWS, North Carolina
PAUL SIMON, Illinois
GEORGE MILLER, California
AUSTIN J. MURPHY, Pennsylvania
BALTASAR CORRADA, Puerto Rico
DALE E. KILDEE, Michigan
PAT WILLIAMS, Montana
RAY KOGOVSEK, Colorado
MATTHEW G. MARTINEZ, California
MAJOR R. OWENS, New York
FRANK HARRISON, Pennsylvania
FREDERICK C. BOUCHER, Virginia
GARY L. ACKERMAN, New York
SALA BURTON, California
CHARLES A. HAYES, Illinois
DENNIS E. ECKART, Ohio
TIMOTHY J. PENNY, Minnesota

JOHN N. ERLENBORN, Illinois
JAMES M. JEFFORDS, Vermont
WILLIAM F. GOODLING, Pennsylvania
E. THOMAS COLEMAN, Missouri
THOMAS E. PETRI, Wisconsin
MARGE ROUKEMA, New Jersey
STEVE GUNDERSON, Wisconsin
STEVE BARTLETT, Texas
RON PACKARD, California
HOWARD C. NIELSON, Utah
ROD CHANDLER, Washington
THOMAS J. TAUKE, Iowa
JOHN McCAIN, Arizona

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

CARL D. PERKINS, Kentucky, *Chairman*

WILLIAM D. FORD, Michigan
IKE ANDREWS, North Carolina
GEORGE MILLER, California
BALTASAR CORRADA, Puerto Rico
DALE E. KILDEE, Michigan
PAT WILLIAMS, Montana
AUGUSTUS F. HAWKINS, California
MARIO BIAGGI, New York
FREDERICK C. BOUCHER, Virginia
GARY L. ACKERMAN, New York
SALA BURTON, California
CHARLES A. HAYES, Illinois

WILLIAM F. GOODLING, Pennsylvania
RON PACKARD, California
MARGE ROUKEMA, New Jersey
STEVE GUNDERSON, Wisconsin
STEVE BARTLETT, Texas
HOWARD C. NIELSON, Utah
ROD CHANDLER, Washington
(Ex Officio)
THOMAS J. TAUKE, Iowa

CONTENTS

Hearings held in Washington, DC, on:

Page

March 6, 1984 ... 1

March 7, 1984 ... 21

March 13, 1984 ... 75

Text of H.R. 7 ... 2

Statement of—

Blount, Richard, director Missouri State WIC Program, president, National Association of WIC Directors ... 121

Brokaw, Jani, executive vice president, American Camping Association, accompanied by Edward Cooney, staff attorney, Food Research and Action Center, representing the National Anti-Hunger Coalition ... 38

Chegwidden, Gwen, nutrition education consultant and former school food service director, representing the Society for Nutrition Education ... 32

Harvey, Stefan, director, supplemental foods projects, accompanied by Robert Greenstein, director, Center for Budget and Policy Priorities ... 111

Hughes, Charles, chairperson, AFSCME School Employee Advisory Committee and president of Local 372, Board of Education Employees, District Council 37, New York City ... 83

Leard, Robert, Administrator, Food and Nutrition Service, U.S. Department of Agriculture, accompanied by George Braley, Deputy Administrator for Special Nutrition Programs ... 5

Locke, Linda, nutrition project director, Community Coordinated Child Care of Louisville, representing Child Care Food Program Sponsors' Forum, accompanied by Helen Blank, director, Child Care and Family Support Services, Children's Defense Fund ... 26

McDonald, Allice, superintendent of public instruction, Kentucky Department of Education ... 10

Spielman, Robert ... 11

White, Gene, chair, Public Policy and Legislation Committee, American School Food Service Association and director of Child Nutrition and Food Distribution Programs for California State Department of Education, accompanied by Betty Bender, president, and Marshall Matz, counsel, American School Food Service Association and Mary Filko, member of the public policy and legislation committee, from Akron, OH, a panel ... 78

Zimmerman, Robert, director, State Bureau of Special Food Programs, Pennsylvania ... 102

Prepared statements, letters, supplemental materials, etc.—

Blank, Helen, director, Child Care and Family Support Services, Children's Defense Fund, "Child Care Position Paper," a position paper entitled ... 64

Blount, Richard, director, Missouri State WIC Program, and president, National Association of WIC Directors:

- Addendum ... 120
- Prepared statement of ... 116
- Summary of recommendations ... 121

Brokaw, Jani, vice president, American Camping Association, prepared statement of ... 36

Chegwidden, Gwen, nutrition education consultant and former food service director, member, Society for Nutrition Education, prepared statement of ... 30

Prepared statements, letters, supplemental materials, etc.—Continued

Page

Cooney, Edward staff attorney, Food Research and Action Center, representing the National Anti-Hunger Coalition, "Hunger and its Impact in Utah," a report ... 51

Harvey, Stefan, director, Supplemental Food Project, Center on Budget and Policy Priorities, prepared statement of ... 106

Hughes, Charles, chairperson, American Federation of State, County, and Municipal Employees, AFL-CIO, School Employee Advisory Committee and president of Local 372, Board of Education Employees, District Council 37, New York City, prepared statement of ... 82

Leard, Robert E., Administrator of the Food and Nutrition Service, U.S. Department of Agriculture, prepared statement of ... 4

Locke, Linda, nutrition project director, Community Coordinated Child Care, Louisville, KY, prepared statement of with attachments ... 21

McDonald, Alice, superintendent of public instruction, Kentucky Department of Education, prepared statement of ... 9

Smith, Robert L., executive director, Council for American Private Education, Washington, DC, letter to Chairman Perkins, dated April 3, 1984 ... 129

White, Gene, chairman of the legislative and public policy committee, American School Food Service Association, prepared statement of ... 76

Zimmerman, Robert S., M.P.H., director of the Bureau of Special Food Programs [WIC], Pennsylavania Department of Health, Harrisburg, PA, prepared statement of ... 99

HEARINGS ON A BILL TO MAKE PERMANENT CERTAIN CHILD NUTRITION PROGRAMS

TUESDAY, MARCH 6, 1984

House of Representatives,
Subcommittee on Elementary, Secondary,
and Vocational Education,
Committee on Education and Labor,
Washington, DC.

The subcommittee met, pursuant to call, at 9:20 a.m., in room 2175, Rayburn House Office Building, Hon. Carl D. Perkins (chairman of the subcommittee) presiding.

Members present: Representatives Perkins, Miller, Burton, Goodling, Packard, and Gunderson.

Staff present: John F. Jennings, majority counsel; Joleen Frederick, legislative specialist; and Mary Jane Fiske, Republican senior legislative associate.

Chairman **Perkins**. The committee will come to order.

This morning we will hear testimony concerning H.R. 7, a bill to extend five child nutrition programs which will expire at the end of fiscal year 1984. These programs include the Women, Infants and Children Feeding Program [WIC], the Commodity Distribution Program, the Summer Feeding Program, State Administrative Expenses, and the Nutrition Education and Training Program [NET].

We hope the testimony this morning will indicate how these programs are working and whether any changes need to be made in these programs when we reauthorize them.

[Text of H.R. 7 follows:]

I

98TH CONGRESS
1ST SESSION

H. R. 7

To make permanent certain of the authorizations of appropriations under the National School Lunch Act and the Child Nutrition Act of 1963.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1983

Mr. PERKINS introduced the following bill; which was referred to the Committee on Education and Labor

---

A BILL

To make permanent certain of the authorizations of appropriations under the National School Lunch Act and the Child Nutrition Act of 1963.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section 17 of the Child Nutrition Act of 1963 (42 U.S.C. 1786) is amended—

(1) in subsection (c)(2) by striking out "ending on or before September 30, 1984";

(2) in subsection (g) by inserting "and such sums as may be necessary in each of the succeeding fiscal years" after "September 30, 1984,"; and

(3) in subsection (h)(2) by striking out "of the fiscal years 1979 through 1984" and inserting in lieu thereof "fiscal year".

(b) Section 7(i) of the Child Nutrition Act of 1963 (42 U.S.C. 1776(i)) is amended by striking out "the fiscal years beginning October 1, 1977, and ending September 30, 1984," and inserting in lieu thereof "each fiscal year".

(c) Section 19(j)(2) of the Child Nutrition Act of 1963 (42 U.S.C. 1788(j)(2)) is amended—

(1) by striking out in the first sentence "ending on or before September 30, 1984"; and

(2) by striking out in the second sentence "and not more than $5,000,000" and inserting in lieu thereof "and such sums as may be necessary".

SEC. 2. (a) Section 13(p) of the National School Lunch Act (42 U.S.C. 1761(p)) is amended by striking out "the fiscal years beginning October 1, 1977, and ending September 30, 1984," and inserting in lieu thereof "each fiscal year".

(b) Section 14(a) of the National School Lunch Act (42 U.S.C. 1762a(a)) is amended by striking out ", during the period beginning July 1, 1974, and ending September 30, 1984" and inserting in lieu thereof "for each fiscal year".

Chairman PERKINS. This morning we have two distinguished witnesses: Mr. Robert Leard, Associate Administrator, Food and Nutrition Service, U.S. Department of Agriculture, and Superintendent Alice McDonald from the Kentucky Department of Public Instruction. I look forward to hearing their testimony.

I don't think Mrs. McDonald is here yet, is she? Has anyone seen her?

All right. We will hear from you first this morning, Mr Leard. Identify yourself for the record and proceed in any manner you prefer.

[Prepared statement of Robert Leard follows:]

PREPARED STATEMENT OF ROBERT E. LEARD, ADMINISTRATOR OF THE FOOD AND NUTRITION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman, and members of the subcommittee, thank you for the invitation to offer the Administration's comments on H.R. 7, your bill to make permanent several expiring authorizations for appropriations related to the Child Nutrition Programs administered by the Food and Nutrition Service. Your Subcommittee's stewardship role for Child Nutrition Programs is an important one, and we want to continue working closely with you in the weeks ahead as necessary re-authorizations are considered.

I am accompanied today by Mr. George Braley, our Deputy Administrator for Special Nutrition Programs.

H.R. 7 would make permanent five programs: the WIC Program, the Summer Feeding Program, State Administrative Expenses, the Nutrition Education and Training Program, and the Commodity Distribution Program, which provides support to other food programs.

With the exception of the Nutrition Education and Training Program, which we believe should be discontinued and the Summer Food Service Program, which we would blend into a non-school food program grant, the Administration recommends short-term, rather than permanent, re-authorizations. It is important, we believe, to retain the mechanism of re-authorization, so that regular reviews and appraisals of programs effectiveness will occur. While it is true that authorizations can be changed at any time if the need is pressing, periodic re-authorizations are valuable because they create the occasion for a thorough review of program operations, problems and effectiveness. Instead of waiting until programs reach the crisis stage, remedial action can be triggered by regular re-authorization, so that programs are kept more nearly in accord with current requirements.

In addition to this general preference for periodic, rather than permanent, authorizations, we have concerns about each of the programs addressed in the bill which, we believe, underscore the need for careful, regular review.

While it has begun to stabilize, the Supplemental Food Program for Women, Infants, and Children (WIC) has expanded rapidly during the past ten years. A major USDA evaluation of WIC is presently underway, and results will not be available until later this year. Also, there is a study of WIC Program participant characteristics not scheduled for completion until next year. A third study, directed at examining the WIC potential target population, will not be finished until next year. In view of the fact that WIC has now grown to the point where it serves approximately one-fifth of the infants born each year, it seems prudent to leave opportunities open for changes in program design, should they be warranted. Therefore, we believe that permanent re-authorization is particularly unwise for WIC.

H.R. 7 also permanently re-authorizes the State Administrative Expenses Program (SAE), which provides administrative funds to State agencies that administer the Child Nutrition Programs. We have some concern, as do some of the States, about the appropriateness of the present SAE distribution formula. It appears that the current method meets the needs of some States while overcompensating others and undercompensating still others. We intend to thoroughly examine the current SAE formula, the usage of funds, and provisions for carryover, and this may lead to recommended alternative methods for SAE reimbursement. We do not believe that it would be wise to permanently authorize the present SAE distribution formula.

Since 1977 the Nutrition Education and Training Program (NET) has operated to provide seed money to State agencies to help them begin or augment existing Nutrition Education Programs. With State programs now well established and the total level of support quite low (at $5 million), we believe it is time for the States to assume funding responsibilities. We propose that NET be discontinued as a Federal program, rather than being permanently authorized as proposed under H.R. 7.

The Department's budget proposes to consolidate the Summer Food Service and Child Care Food Program into a Non-School Program Grant to states. This grant would permit States greater flexibility to design assistance programs for meals served outside a school setting. States would no longer have to apply a complex set of reimbursement rates or comply with cumbersome federal regulatory requirements.

In addition, while legislative changes have improved the accountability of the Summer Food Service Program, the nature of the program precludes assurance that program benefits go to low-income children. Eligibility is established by geographical area, rather than being determined on an individual basis. States could address the targetting problem when developing their non-school food programs.

The Commodity Distribution Program, which provides support to the other food programs in the form of donated commodities, is the fifth program which is affected by a permanent re-authorization under the provisions of H.R. 7. Currently, an evaluation of this program is being conducted to test the feasibility of providing cash-in-lieu of commodities or commodity letters of credit. Since the evaluation is not complete and its outcome could result in proposals to change the nature of the program, we feel it would be inappropriate to provide permanent authorization of the abovementioned statutory provisions.

We do not recommed, however, re-authorizing the Elderly Feeding Commodity Program. The President's budget proposes to fund elderly feeding in the Department of Health and Human Services, which already administers the main elderly nutrition program. Under the Older Americans Act, a mechanism will be provided to allow states to continue to receive commodities instead of cash if they so desire.

Mr. Chairman, because of these considerations, we believe that it would be prudent for the Committee to re-authorize the WIC, SAE, and Commodity Distribution Programs for one year only. We recommend that the NET and the Summer Food Service Program not be re-authorized. and that the latter be replaced by a non-school program grant so that States can develop their own programs.

Thank you for listening to our views. If you have questions, I will be happy to answer them.

STATEMENT OF ROBERT LEARD, ADMINISTRATOR, FOOD AND NUTRITION SERVICE, U.S. DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY GEORGE BRALEY, DEPUTY ADMINISTRATOR FOR SPECIAL NUTRITION PROGRAMS

Mr. LEARD. Thank you, Mr. Chairman. I am Robert Leard, the Administrator of the Food Nutrition Service, Department of Agriculture. I am accompanied by Mr. George Braley, our Deputy Administrator for Special Nutrition Programs. He has cognizance over the programs you will be discussing.

Thank you for the invitation to offer the administration's comments on H.R. 7, your bill to make permanent several expiring authorizations for appropriations related to the child nutrition programs administered by the Food and Nutrition Service. Your committee has stewardship for child nutrition programs and we want to continue to work closely with you in the weeks ahead as necessary reauthorizations are considered.

H.R. 7 would make permanent five programs: the WIC Program, the Summer Feeding Program, State Administrative Expenses, the Nutrition Education and Training Program, and the Commodity Distribution Program which provides support to other food programs.

With the exception of the Nutrition Education and Training Program, which we believe should be discontinued and the Summer Food Service Program, which we would blend into a nonschool food program grant, the administration recommends short-term, rather than permanent, reauthorizations.

It is important, we believe, to retain the mechanism of reauthorization, so that regular reviews and appraisals of program effectiveness will occur. While it is true that authorizations can be changed at any time if the need is pressing, periodic reauthorizations are valuable because they create the occasion for a thorough review of program operations, problems and effectiveness. Instead of waiting until problems reach the crisis stage, remedial action can be triggered by regular reauthorization so that programs are kept more nearly in accord with current requirements.

In addition to this general preference for periodic rather than permanent authorizations, we have concerns about each of the programs addressed in the bill which we believe underscore the need for careful, regular review.

While it has begun to stabilize, the Supplemental Food Program for Women, Infants and Children, the WIC Program, has expanded rapidly during the past 10 years. A major USDA evaluation of WIC is presently underway and the results will not be available until later this year. Also there is a study of WIC Program participant characteristics that is not scheduled for completion until next year.

A third study, directed at examining the WIC potential target population will not be finished until next year. In view of the fact that WIC has now grown to the point where it serves approximately one-fifth of the infants born each year, it seems prudent to leave opportunities open for changes in program design, should they be warranted. Therefore, we believe that permanent reauthorization is particularly unwise for WIC.

H.R. 7 also permanently reauthorizes the State Administrative Expenses Program, which provides administrative funds to State agencies that administer the child nutrition programs. We have some concern, as do some of the States, about the appropriateness of the present SAE distribution formula. It appears that the current method meets the needs of some States while overcompensating others and undercompensating still others.

We intend to thoroughly examine the current SAE formula, the usage of funds and provisions for carryover. This may lead to alternative methods for SAE reimbursement. We do not believe it would be wise to permanently authorize the present SAE distribution formula.

Since 1977 the Nutrition Education and Training Program [NET] has operated to provide seed money to State agencies to help them begin or augment existing Nutrition Education Programs. With State programs now well established and the total level of support quite low, at $5 million, we believe it is time for the States to assume funding responsibilities. We propose that NET be discontinued as a Federal program rather than be permanently authorized as proposed under H.R. 7.

The Department's budget proposes to consolidate the Summer Food Service and Child Care Food Programs into a nonschool program grant to the States. This grant would permit states greater flexibility to design assistance programs for meals served outside a school setting. States would no longer have to apply a complex set of reimbursement rates or comply with cumbersome Federal regulatory requirements.

In addition, while legislative changes have improved the accountability of the Summer Food Service Program, the nature of the program precludes assurance that program benefits go to low-income children. Eligibility is established by geographical area, rather than being determined on an individual participant basis. States could address the targeting problem when developing their nonschool food programs.

The Commodity Distribution Program, which provides support to the other food programs in the form of donated commodities, is the fifth program which would be affected by a permanent reauthorization under the provisions of H.R. 7. Currently, an evaluation of this program is being conducted to test the feasibility of providing cash in lieu of commodities or commodity letters of credit. Since the evaluation is not complete and its outcome could result in proposals to change the nature of the program, we feel it would be inappropriate to provide permanent authorization of the above-mentioned statutory provisions.

We do not recommend, however, reauthorizing the Elderly Feeding Commodity Program. The President's budget proposes to fund elderly feeding in the Department of Health and Human Services, which already administers the main elderly nutrition program. Under the Older Americans Act, a mechanism will be provided to allow States to continue to receive commodities instead of cash if they so desire.

Mr. Chairman, because of these considerations, we believe that it would be prudent for the committee to reauthorize the WIC, SAE, and Commodity Distribution Programs for 1 year only. We recommend that the NET and Summer Food Service Program not be reauthorized and that the latter be replaced by a nonschool program grant so that States can develop their own programs.

Thank you very much, Mr. Chairman.

Chairman **Perkins**. Let me thank you this morning for your testimony. If I listen to you correctly, you suggested that in extending the programs, we extend them only for a brief period of time or a short period of time. With all of the problems that we have had in late years with these programs and getting some of them extended, don't you feel that it would be better, considering all the facts, in order to give the programs stability that we extend these programs for a more lengthy period of time? I want to get your reaction to that since it bothers me kind of just to come in here today and come back tomorrow and work on these extensions. Go ahead.

Mr. **Leard**. Mr. Chairman, I think that we don't feel that a 1-year authorization necessarily makes the programs unstable, but more importantly, so many of these programs are very dynamic, and we are reaching points in some of them where we are having studies come in that may cause us to want to make broad changes to programs; and we have problems with the programs that we want to change. They are all dynamic programs and we just feel it is inappropriate at this time to have a reauthorization for longer than 1 year. We want to see the results of our studies and our work in these areas.

Chairman **Perkins**. Well, it would bother me a little just to extend a program for 1 year. When I became chairman of this committee, we were extending many of the programs only for 1 year and we kept the local school bases torn up all of the time. They did not know what they would have the next year. We gave the programs a lot of stability when we commenced authorizing as a minimum for 3 years in this committee. You run up and down the Hill here so fast trying to get an authorization just for 1 year and then you have to go before appropriations to try to get your funding. Even if it's an entitlement, like the School Lunch Program, you are just absolutely doing great harm to the whole structure, in my opinion, if we just authorize for 1 year.

Do you have any further comments, Mr. Leard?

Mr. **Leard**. No, Mr. Chairman. I would reiterate what I said earlier that we just feel that it's a dynamic time for the programs. In the case of the SAE Program we think that we would do well to reexamine the formulas this year so 1 year would be a good authorization. We have all our WIC studies coming to fruition over the next year or 2 and these may indicate to us a new path to take and that we might be precipitous in going ahead and reauthorizing for more than 1 year when we would want to have the flexibility to change later.

Chairman **Perkins**. Yes; but assuming that you did not have the votes in another year to reauthorize, don't you think you may be taking a gamble on that? You have not given too much consideration to that, have you?

Mr. **Leard**. Mr. Chairman, we are just looking at the programs——

Chairman **Perkins**. You are just assuming that they will automatically be reauthorized, all of them. The Summer Feeding Program has had a lot of problems that we have been able to correct, but it does not have a great constituency anywhere.

Let me thank you. Your testimony has been very helpful to us. I know there will be disagreement on the committee about the tenure insofar as authorizations are concerned.

Thank you very much, Mr. Leard.

Mrs. Burton, go ahead.

Mrs. **Burton**. I would like to reiterate what you said, Mr. Chairman. I don't think we stop programs because they are, in your view, not working as well as you would like. I think we must continue the program. The WIC Program is very, very good and all of this is very, very good. We do have hungry children. We do, although there are some in the administration who think we don't think we have hungry people or children. But we do have hungry children.

I think we cannot authorize just for 1 year. We must have a longer program of authorization while you are studying to better the program. But we must have longer term authorization and appropriation. Thank you.

Chairman **Perkins**. Let me thank you for your appearance this morning.

Mr. **Leard**. Thank you, Mr. Chairman.

Chairman **Perkins**. We are delighted to have the Kentucky State School Superintendent of Public Instruction with us this morning, Mrs. Alice McDonald. We have this morning, Mrs. McDonald—the programs include the Women, Infants and Children Feeding Program, so-called WIC, the Child Care Food Program, the Summer

Feeding Program, State Administrative Expenses and the Nutrition Education and Training Program.

We are delighted to welcome you here again today. You may proceed in any way you prefer insofar as your testimony is concerned. If you have got something else you want to tell us about, we'll be delighted to hear from you.

Without objection, your prepared statement will be inserted in the record. You proceed in any way you prefer. Good luck.

[Prepared statement of Alice McDonald follows:]

PREPARED STATEMENT OF ALICE MCDONALD, SUPERINTENDENT OF PUBLIC INSTRUCTION, KENTUCKY DEPARTMENT OF EDUCATION

Chairman Perkins and members of the subcommittee, I appreciate the opportunity to present testimony regarding House Resolution 7—child nutrition reauthorization bill.

We are very proud of the fact that all of the 180 local public school districts in Kentucky participate in the National School Lunch Program. Nearly 60 percent of our public schools provide breakfast to 108,000 children daily. In addition, Kentucky has 137 Child Care Food Program sponsors which provide nutritious meals for 12,700 pre-school children in over 350 day care centers across the State.

The Kentucky Department of Education also administers the Summer Food Service Program for Children. This program, targeted to low income youngsters, served approximately 17,000 children in Kentucky during the summer of 1983. Sponsors of the program must document low income eligiblity of the participating children. Regulations require 50 percent low income and in many cases in Kentucky 100 percent of the participating children at a site are from low income families. More and more public schools are recognizing the needs of their students and are sponsoring the Summer Food Program.

Mr. Chairman, before discussing House Resolution 7, I would like to say a few words on an issue which affects all school districts in the State of Kentucky. The United States Department of Agriculture issued last fall the rule on income verification—a rule requiring districts nationwide to verify the income listed by parents on three percent of the applications for free and reduced price meals.

The requirement according to USDA officials is intended to ensure that free and reduced price benefits only go to families whose income falls within the eligibility guidelines set forth by USDA. Its intent is to reduce any abuse which may exist in Child Nutrition Programs.

Kentucky has approximately 282,000 children eligible for free and reduced price meals which means that 8,460 applicants were selected for income verification. The number is very small compared to total volume of applicants. However, the regulation imposed more administrative burdens on local districts, and the process was time consuming and costly. This may have saved federal dollars, but the cost was borne by the local districts as no additional money was included for verification. Both Federal and State reviews and audits in the State have documented the fact that these programs [NSLP—SBP] are administered in compliance with applicable laws and regulations and that program services are being delivered to the targeted recipients—the school children in the Commonwealth.

Mr. Chariman, House Resolution 7 involves three programs which the Department of Education administers: State Administrative Expense Program, Summer Food Service Program for Children, and Nutrition Education and Training Program. The Commodity Program, section 14 of the National School Lunch Program, is administered by the Kentucky Department of Agriculture. These four programs I would like to discuss with you today.

STATE ADMINISTRATIVE EXPENSE

Administrative costs associated with the child nutrition programs are on-going:

—The programs must be monitored.
—Technical assistance must be provided.
—Claims must be processed.
—Sponsors must be trained.
—Audits must be conducted.

It is imperative that States have the assurance that a level of administrative funds will be available to ensure a consistent and systematic approach to program administration. Initiation of the carryover provision in P.L. 97-35 was a very judicious addition to the State administrative expense regulations. This provision adds some flexibility in that States may plan to utilize allocated funds for some long-term goals rather than being confined to one fiscal year.

Historically, the Child Nutrition Programs have been a joint effort of the Federal and State Government. They must continue in this vein if the stated purpose of the programs is to continue; the first step in this partnership is in a strong administrative staff at the State level. For this reason I urge you to make state administrative expenses a permanent part of the Child Nutrition Programs.

SUMMER FOOD PROGRAM

Let me say that our responsibility for meeting the needs of the children does not end when the school year is over. We cannot ignore the nutritional needs of children when school is not in session.

One of the programs designed to assist in meeting this need is the Summer Food Service Program For Children. This program is a companion program of the National School Lunch Program and is designed to provide free meals to low income children when schools are not in session. Without this program many of the children who routinely receive free and reduced price meals during the school year will go hungry. Unemployment has hit hard in Kentucky and many children are dependent upon this program for basic nutritional needs. For these reasons I Urge you to make the Summer Food Service Program a permanent part of the Child Nutrition Program.

NUTRITION EDUCATION AND TRAINING

As an educator I'm concerned with the well-being of the total child. It would appear that the Congress and the President share this concern when one looks at the monetary resources allocated to the Child Nutrition Programs. If this premise is accepted, then it's logical that the nutrition education and training component of the Child Nutrition Programs should be fully funded. Nutrition education and school feeding go hand and hand. We must be more than a "filling station" at meal time! Research indicates that without proper food choices throughout a person's life, one cannot reach his full potential. Certainly this is true for a young child. We must provide those experiences that will contribute to long, healthy, productive lives for our citizens. For these reasons I ask you to restore full funding for the N.E.T. Program.

DONATED FOOD PROGRAM

We in the department of education do not administer the donated food program in Kentucky. However, I'm told by the State Department of Agriculture that during FY-83 $54.7 million dollars worth of food was distributed to eligible institutions; by far, schools received the most of this food. In addition, 4.2 million dollars was spent by the program in the State making purchases directly from Kentucky farmers or processors. It is obvious the benefit these foods have on the child nutrition programs both directly in the preparation of meals and indirectly in helping to keep the cost of the meal at a level to encourage participation. I join my friends in the agriculture community in urging you to make permanent this part of the National School Lunch Program.

In conclusion, I want to thank you for allowing me this time to present my views on House Resolution 7. On behalf of the thousands of children in Kentucky, your continuing commitment to these special programs is recognized and appreciated.

STATEMENT OF ALICE McDONALD, SUPERINTENDENT OF PUBLIC INSTRUCTION, KENTUCKY DEPARTMENT OF EDUCATION

Mrs. McDONALD. Thank you very much, Chairman Perkins. As you know, I am not bashful, but today I do just want to talk about one program.

Chairman PERKINS. You may need to talk just a little louder.

Mrs. McDONALD. I am delighted to be here. I have with me today an associate superintendent for local services who, in fact, does administer the School Food Service Program, Mr. Bob Spielman. He will be giving some testimony along with me.

It is my pleasure to be here regarding House Resolution 7, Child Nutrition Reauthorization bill. As Congressman Perkins knows from years of dedication to education programs, good nutrition is good education. That is really what I am here to talk about today. We are very proud of the fact that all of the 180 local public school districts in Kentucky—and that's what I want to talk about, Kentucky—participate in the National School Lunch Program.

Nearly 60 percent of our public schools provide breakfast to 108,000 children daily. In addition, Kentucky has 137 Child Care Food Program sponsors which provide nutritious meals for 12,700 preschool children and over 350 day care centers across the state.

The Kentucky Department of Education also administers the Summer Food Service Program for children. This program, targeted to low-income youngsters, served approximately 17,000 children in Kentucky during the summer of 1983. Sponsors of the program must document low-income eligibility of participating children. Regulations require 50 percent low income and, in many case in Kentucky, 100 percent of the participating children at a site are from low-income families.

More and more public schools are recognizing the needs of their students and are sponsoring the Summer Food Program.

Mr. Chairman, before discussing House Resolution 7, I would like to say a few words on an issue which affects all school districts in the State of Kentucky. The U.S. Department of Agriculture issued last fall the rule on income verification, a rule requiring districts nationwide to verify the income listed by parents on three percent of the applications for free and reduced-price meals. The requirement, according to USDA officials, is intended to ensure that free and reduced price benefits only go to families whose income fall within the eligibility guidelines set forth by USDA. Its intent is to reduce any abuse which may exist in Child Nutrition Programs.

Kentucky has approximately 282,000 children eligible for free and reduced-price meals, which means that 8,460 applicants were selected for income verification. The number is very small compared to total volume of applicants. However, the regulation imposed more administrative burdens on local districts and in the process was time consuming and costly. This may have saved Federal dollars, but the cost was borne by local districts, as no additional money was included for verification.

Both Federal and State reviews and audits in the state have documented the fact that these programs are administened in compliance with applicable laws and regulations and that program services are being delivered to the targeted recipients, the school children in the Commonwealth.

I would like Bob Spielman now to tell you a little bit in detail about the hardship that this really—well, some of the facts about Kentucky and just what this particular verification program meant to Kentucky.

STATEMENT OF ROBERT SPIELMAN

Mr. Spielman. Our concern about this program is whether, in fact, it pays off. It does add an administrative burden to the local school districts and, you know, that has to be reflected in some type of pay-off. Last year we did a survey of eight school districts in the State—just pulled at random eight school districts—analyzed the number of applicants that they actually verified. The eight school districts on 3-percent formula had to verify 314 applicants. Out of that 314 they found 41 children who changed status because of the verification.

We asked them to document the amount of administrative time spent on this verification process and it turns out that for those 41 children they spent 489 administrative hours verifying their income eligibility. So when you analze that, it takes about 12 hours of administrative time for each person who changes status. Assuming that those people are totally taken off the program—and it's about mid-year when that happens—we actually save about $96 for the Federal Government. The local school district spends $120 of administrative time that really ought to be spent working on the curriculum and improving the quality of the schools.

So even though it is a matter of shifting expenditures from one level to the other, it still turns out that we spend more than we save in the process.

Mrs. McDONALD. The rest of my remarks will be directed to House Resolution 7. House Resolution 7 involves three programs which the Department of Education administers: State Administrative Expense Program, Summer Food Service Program for Children, and the Nutrition Education and Training Program. The Commodity Program, section 14 of the National School Lunch Program, is administered by the Kentucky Department of Agriculture.

These four programs I would like to discuss with you today.

STATE ADMINISTRATIVE EXPENSE

Administrative costs associated with the Child Nutrition Programs are ongoing. The program must be monitored, technical assistance must be provided, claims must be processed, sponsors must be trained, audits must be conducted. It is imperative that States have the assurance that a level of administrative funds will be available to ensure a consistent and systematic approach to program administration. Initiation of the carryover provision in Public Law 97-35 was a very judicious addition to the State Administrative Expense regulations. This provision adds some flexibility in that States may plan to use allocated funds for some long-term goals rather than being confined to one fiscal year.

Historically, the Child Nutrition Programs have been a joint effort of the Federal and State governments. They must continue in this vein if the stated purpose of the program is to continue. The first step in this partnership is a strong administrative staff at the State level. For this reason, I urge you to make State Administrative Expenses a permanent part of the Child Nutrition Programs.

THE SUMMER FOOD PROGRAM

Let me say that our responsibility for meeting the needs of the children does not end when the school year is over. We cannot ignore the nutritional needs of children when school is not in session.

One of the programs designed to assist in meeting this need is the Summer Food Service Program for children. This program is a companion program of the National School Lunch Program and is designed to provide free meals to low-income children when schools are not in session. Without this program many of the children who routinely receive free and reduced-price meals during the school year would go hungry. Unemployment has hit hard in Kentucky and many children are dependent upon this program for basic nutritional needs. For these reasons, I urge you to make the Summer Food Service Program a permanent part of the Child Nutrition Program.

NUTRITION EDUCATION AND TRAINING

As an educator, I am concerned with the well-being of the total child. It would appear that the Congress and the President share this concern when one looks at the monetary resources allocated to the Child Nutrition Programs. If this premise is accepted, then it is logical that the Nutrition Education and Training component of the Child Nutrition Programs should be fully funded.

Nutrition education and school feeding go hand in hand. We must be more than a filling station at meal time. Research indicates that without proper food choices throughout a person's life, one cannot reach his full potential. Certainly, this is true for a young child. We must provide those experiences that will contribute to long, healthy, productive lives for our citizens. For these reasons, I ask you to restore full funding for the NET Program.

THE DONATED FOOD PROGRAM

We in the Department of Education do not administer the Donated Food Program in Kentucky. However, I am told by the State Department of Agriculture that during fiscal year 1983, 54.7 million dollars' worth of food was distributed to eligible institutions. By far, schools receive the most of this food.

In addition, $4.2 million was spent by the program in the State making purchases directly from Kentucky farmers or processors. It is obvious the benefits these foods have on the Child Nutrition Programs, both directly in the preparation of meals and indirectly in helping to keep the cost of the meal at a level to encourage participation. I join my friends in the agriculture community in urging you to make permanent this part of the National School Lunch Program.

All of these programs are critical to Kentucky and also critical in the process would be continuity. If we were put on a 1-year plan and did not have the ability to know that these programs would be available to us for longer, it would make planning impossible. So I urge you to certainly give us a schedule that is longer than 1 year.

I also want to point out that we do, in Kentucky, have hungry children and without these programs we would have many more. If I could quote to you some Kentucky statistics which, to me, are startling. Fifty-one percent of our schoolchildren are on free lunch or reduced-price lunch programs. Fifty-one percent. Over half of the children that we open our doors to everyday.

Forty-nine percent are on reduced lunch and 42 percent are on free lunch programs. So it is essential to Kentucky and essential to good education that these programs, in fact, do continue.

I thank you for allowing me this time to present my views on House Resolution 7 on behalf of the thousands of children in Kentucky and I ask for your continuing commitment to these special programs. I recognize your commitment in the past and I appreciate it and ask you to continue that commitment in the future. I would be happy to answer any questions, along with my associate here, that you may have.

Chairman **Perkins**. Thank you very much for an excellent testimony this morning.

First let me ask Mr. Spielman in regard to his statement; could you repeat for the record the exact percentage of children that you found ineligible in Kentucky and how much did that cost?

Mr. **Spielman**. I don't have an exact percentage of the number we found ineligible. Let me just run through the figures. The eight districts that we just pulled at random. We verified 314 children and out of the 314, 41 changed status in some fashion. That was pulled from—3 percent of those that were participating in the program were actually sampled to determine that. The cost for each child who changed status turned out to be about $120 in administrative cost to the school district.

Chairman **Perkins**. Mrs. McDonald, from your experience with the program and what you have been able to discover, has there been less participation in the School Lunch Program within the last 3 years, if you are able to tell us, after the Gramm-Latta No. 2 vote in 1981, when the reimbursement rate from the Government was cut back and we had to make up the funds from the parents? Did participation fall off in Kentucky following the increase in the School Lunch Program?

Mrs. **McDonald**. I would like Mr. Spielman to answer that. He is more familiar with the details of the program.

Mr. **Spielman**. Well, what actually happened was that the participation fell off initially, but then the economy has gone down, which made more people eligible. So our actual participation rate, even though the standards for participation changed, has maintained about the same level.

Mrs. **McDonald**. But initially it went down 3 years ago.

Chairman **Perkins**. Yes.

Mrs. Burton.

Mrs. **Burton**. I am very impressed with your statement. Obviously, I have no questions in terms of the correctness of your position.

Mr. Chairman, I understand that in California, where we have many children whose parents are from other countries and you have a language problem and people do not return the questionnaire, what does that do to the children? Although you are from Kentucky, can you say something on that?

Mrs. **McDonald**. In order to give you some statistics on the verification program, we just pulled out eight districts and showed you from 341 and we can do that statewide. But of those 41 children, all of them were not taken off the program because of abuse and I think that's the point you are trying to make and certainly what we found in Kentucky.

Some of them changed status because the applications were not filled out. Some parents just do not fill out the information that's necessary, not because they don't want to, but because they can't, for one reason or another.

Mrs. **Burton**. It's also, perhaps, embarrassing.

Mrs. **McDonald**. That's correct.

Mrs. **Burton**. It seems to me there should be no means test of any kind, that any child coming into a place where food is being served, has a right to sit down and eat. I think it's bad in terms of ostracizing the children who do use the program and those who don't are in a different category. I feel it's a terrible burden on young children to be put in a class.

Mrs. **McDonald**. Yes, we had many districts where people refused to return the verification information. When we looked into it, it would be different than California, it would not be a second language that would be the problem, but it would be the impossibility for them to fill out this form because they could neither read nor write or could do it at a level at which they felt comfortable in returning it. So then you have of that 41, 16 who are not receiving the service because their parents are incapable of providing the information.

So we believe that we find very little abuse and oftentimes we have to take children off of the program for reasons that have nothing to do with abuse, that in order to find the abuse, we spend much more money than we save and we spend local money to find the abuse.

Mrs. **Burton**. This was going to be my next question, that administrating this sort of a program, trying to find out who, unjustly, is getting something to eat takes more money. If you multiplied what you have done in your one district in Kentucky through the Nation can you give us an approximate figure of how many millions it would cost to get the verifications and knock people off the program—how much it would cost to administer?

Mrs. **McDonald**. Well, we estimated that it cost us $120 to verify a child was not eligible or needed to be a reduced lunch instead of a free lunch and we saved—$90?

Mr. **Spielman**. Ninety-six dollars.

Mrs. **McDonald**. Ninety-six dollars. So that's a difference of $24 per child. We spent $24 more than we saved per child every time we found one child ineligible.

Mrs. **Burton**. And children go hungry.

Mrs. **McDonald**. Yes.

Mrs. **Burton**. Thank you. You have proven my point.

Thank you very much.

Chairman **Perkins**. I think you started to state or maybe you did state it, that in the economy plunge a couple of years ago there were more youngsters in the School Lunch Program that took advantage of the free and reduced-price lunches. Is that correct?

Mrs. **McDonald**. That's correct and that's what brought our numbers back up.

Chairman **Perkins**. Has there been any pickup in the last 6 months or since the economy has picked up in general throughout the country that you could tell in connection with the School Lunch Program?

Mrs. McDONALD. We have not at this point yet, Congressman Perkins, noticed a change in Kentucky. Our numbers are staying the same, but we would be happy to take a closer look at that and get back to you. But at this point our numbers seem to be the same.

Chairman PERKINS. The reduced-price program is now at 25 cents or 20?

Mr. JENNINGS. It went up to 30 cents.

Chairman PERKINS. It went up to 30. It used to be 15 or 20 cents?

Mr. JENNINGS. It was a dime and then it went to 20 cents.

Chairman PERKINS. It was a dime and then it went to 20 cents. If we cut the reduced-price program back to 20 cents, would you think that would be helpful in your State?

Mrs. McDONALD. Yes.

Chairman PERKINS. Mr. Goodling, you are the senior gentleman.

Mr. GOODLING. Thank you Mr. Chairman. No questions on the testimony. I haven't had a chance to digest it too much. I do have one comment that I might make to the new educational leader of Kentucky. On two occasions I have been with the chairman and we have conducted hearings in eastern Kentucky and then we have come across to Lexington to continue those hearings. On both occasions, I had a feeling that an equalization formula was needed that does a little better for some parts of the State. I don't know whether you are looking into that or not, but I didn't get the same impression that it's done similar to, for instance, what we do in Pennsylvania. In Kentucky, one district might get 73 percent State support and another might get only a 10-percent "hold harmless." I just had a feeling that there needed to be some work done on an equalization formula.

Mrs. McDONALD. Wanting to be the wisest and best superintendent ever in Kentucky, I should say we would do that in the future, but I must admit to you that we have, from the Governor's office as well as on the recommendation of former superintendents, always recognized that as a problem and that we do have in place today in Kentucky a power equalization program. Those words mean nothing to you, but it is an equalization program that would, in fact, bring eastern Kentucky counties or our poorer districts up. The funding level of that program goes up every 2 years when we do, in fact, take a look at the program. It certainly needs to be funded at a higher level and it is in my budget recommendations and the present Governor's budget recommendation to be raised. But we do have a mechanism in place and every 2 years it does seem to get a little better. It is a problem, but we are attempting to solve it.

Mr. GOODLING. I thought when the chairman retires I might run from that district and that's why I wanted to ask you about that issue.

Mrs. McDONALD. Then you would certainly want to be a proponent of power equalization. Remember those key words. [Laughter.]

Chairman PERKINS. Mr. Gunderson.

Mr. GUNDERSON. Thank you, Mr. Chairman and thank you, Mrs. McDonald. I know this is at least the second time you have testified in front of our committee. Hopefully, we will have the benefit of your testimony and wisdom a number of times in the upcoming months and years.

I have little or no difficulty with your commitment to a number of these programs. As we look at some of these programs, whether it be the Summer Food Program that was authorized in the early seventies, or the Nutrition Education and Training Program, also authorized in the seventies, it seems to me there is some merit in the concept of reauthorization. This week we will take to the floor of the House the Vocational Education Act for reauthorization. Because of the need for reauthorization, and through the good work of our chairman and Mr. Goodling, I think we are coming up with an updated program that certainly is targeting the new needs in vocational education. It certainly is trying to deal with the planning and regulatory requirements.

Reauthorization, in essence, mandates us to take a moment to update programs to their present realistic needs. Would you be opposed to the concept of periodically reauthorizing these things? I guess I am an optimist. I don't think that jeopardizes programs. I think it helps them.

Mrs. McDONALD. I am not sure I understand your question and I certainly think things have to be looked at and they need to be updated. I guess if I had any opposition it would be for children to be hurt in the process. I am not sure where your specific question is leading, but I am going to answer it to say it has to be a dual thing. Yes, you need to look at programs and you need to reauthorize and you need to change, but you can't hurt the children on the program at the time. So the time line for the authorization must be, in fact, long enough and the process by which you look at the program must be such that it does not hurt the present children while you are trying to effect change.

Mr. GUNDERSON. I think we are on the same wavelength. What we do in most programs in this Congress is, if we can't agree on a reauthorization, we simply have a 1-year extension of the present law until we can resolve the differences. That doesn't jeopardize or hurt the children. I certainly agree with you on that, but it does give a little nod and push to those of us in Congress to, frankly, update these programs.

Mrs. McDONALD. One-year authorization of programs is very short. It does not allow for any long-range planning and I would certainly think that Congress could certainly make some wise decisions and authorize programs for a longer period of time than 1 year and give directions to State and local districts that would allow better planning.

But I am not opposed to programs being looked at, but I do believe a 1-year authorization is too short of a time line and I would——

Mr. GUNDERSON. No disagreement.

Mrs. McDONALD. OK.

Mr. GUNDERSON. What usually happens is a 1-year extension of the program while we are reauthorizing. I think we are talking the same language. Thank you very much. Thank you, Mr. Chairman.

Chairman PERKINS. Mr. Packard.

Mr. PACKARD. No questions, Mr. Chairman. Thank you.

Chairman PERKINS. Mr. Miller, go ahead.

Mr. **Miller**. Thank you, Mr. Chairman. I would like to just address the issue of verification. I don't expect you to answer for the whole nation, but it's obviously causing different problems in different jurisdictions. You mentioned that in some of your schools you have 50 percent of the children who are on free or reduced-price lunches. Is that for both?

Mrs. **McDonald**. Statewide, 51 percent of our children are on either or reduced—42 percent are on free, and 9 percent are on reduced.

Mr. **Miller**. How high would that run in some schools? In some schools you would have almost all of the children?

Mrs. **McDonald**. It could be 100 percent; yes.

Mr. **Miller**. And you are still required to do verification there?

Mrs. **McDonald**. Correct.

Mr. **Miller**. I am just wondering if there is some mechanism where we can still retain the accountability that, obviously, the amendments on verification speak to and I think that are important, but if there is some threshold that can be established that would provide a way out for some of these schools to avoid going through the cost of the verification—have you given thought to this or have your associations given thought to this?

Mrs. **McDonald**. I haven't given any thought to an alternative that would be somewhere between what we are doing now and nothing at all, but I would be happy to. I guess my thoughts have centered around the fact that I am certainly a proponent of accountability and understand the need for it, but we took a look at Kentucky and we think it is not very cost-effective accountability.

Mr. **Miller**. That's clearly the argument. Nobody is arguing that we should serve children who aren't eligible. But the question is how do you arrive at that pool of eligible children. If it's costing you more to make that determination than the savings you receive,that doesn't look like a very good proposal. You still don't want to serve ineligible children but that doesn't look like a very good way to get at it. I just wondered if there was any consideration to other approaches—for instance, if individual schools had 75 percent of the children on free lunches or free and reduced lunches, whether they ought to be exempt for a year once they go through a verification, or if verification should be conducted once every several years or involve only a periodic sampling.

I just don't see that school districts have the kind of money to do this, absent some allegations that there is a substantial number of children who are being served who are ineligible. That's not what is going on here. You can have the best run program in the country and you are still going to have to go through this process, which is money that you would be using for education programs or other administrative costs or what have you.

Mrs. **McDonald**. I think perhaps what we found in Kentucky is that the assumption that was used to set up the verification program was a wrong assumption in Kentucky—I can't speak for the rest of the Nation—that there was wide abuse of the School Lunch Program. In the verification process, that was not found. If we would have looked at 3 percent and found wide abuse, then that assumption would have been a true assumption. We, obviously, are looking at accountability assuming that we have people who are on the free lunch program who do not belong on the free lunch program. That is not what we found in Kentucky.

Mr. **Miller**. Now you did a random sampling?

Mrs. **McDonald**. Well, we pulled out eight districts for you——

Mr. **Miller**. You pulled out eight districts——

Mrs. **McDonald** [continuing]. To give you the districts, but I am sure that——

Mr. **Miller**. What have you done about meeting the verification standard? Have you had to go through this in each and every district?

Mrs. **McDonald**. That's correct. We have absolutely followed——

Mr. **Miller**. Do you think in the future you should be allowed to do a statistically accurate sampling?

Mrs. **McDonald**. That possibly could be one way to solve the problem. One of the things that I would suggest to you in this particular program—what we have discovered is that it costs more to verify than you save. Now if we are looking for accountability and you are looking for it at the Federal level, it seems to me one way would be for the Federal Government to bear the cost of verification and when they look or when you look at your own statistics to show that you are not getting a very big bang for your buck, you know, that there is very little abuse and you are spending a great deal of money to find that small amount of abuse, maybe then it would be easier to bring about change in the verification program. As long as you are shifting that cost to local school districts, it is a very easy statement to make, "You must, in fact, verify." What we are pointing out to you is, one, it's not cost effective to verify; we are spending more money than we are saving and we are not finding very much abuse at all. If we would shift that expense to the Federal level, perhaps some decisions would be made.

Mr. **Miller**. Or at least maybe the Federal Government could just pay the net cost, that they could deduct from that any savings. In your case it's $96 per student and it would cost $120. So it would be $24 that they could deduct and they could just way the $96.

Mrs. **McDonald**. We would be willing to look at any alternative you came up with. The one thing we don't want is a lot more paperwork to do to save a few more dollars.

Mr. **Miller**. That's the trouble with those Republican amendments, they all create paperwork.

Mrs. **McDonald**. Right. But we do not believe the verification program is, one, finding a great deal of abuse and, two, it is certainly not cost effective.

Mr. **Miller**. Thank you.

Chairman **Perkins**. Presently, Mrs. McDonald, the administration's budget recommends an appropriation of $3 million a year to help pay for verification and then it states that funding for the School Lunch Program overall can be cut by $37 million, because that is the amount that will be saved by eliminating ineligible children. Do you care to comment a little on that?

Mrs. **McDonald**. I would make the simple statement that our data would not support that, would not come anywhere near supporting that that amount of money would be saved, proportionately, in Kentucky.

Chairman **Perkins**. Mr. Packard, any further questions?

Mr. **Packard**. No, thank you, Mr. Chairman.

Chairman **Perkins**. Let me thank you very much for your appearance here this morning, Mrs. McDonald. You have been very helpful to the committee. We are going to try to get this bill out of here next week and do the best job that we possibly can and get it to the floor right away. Within the next 2 weeks we hope to have it to the floor and get it passed in the House. I am afraid we are going to have a little bottleneck in the Senate a little later.

Thank you for coming up here and helping us and assisting us today. We appreciate your coming.

Mrs. **McDonald**. Thank you very much. It's been my pleasure.

Chairman **Perkins**. Any further comments, Mr. Packard.

Mr. **Packard**. No.

Chairman **Perkins**. We will stand adjourned for 20 or 30 minutes until the full committee convenes to consider the budget.

[Whereupon, the subcommittee was recessed at 9:50 a.m., on Tuesday, March 6, 1984, subject to the call of the Chair.]

HEARINGS ON A BILL TO MAKE PERMANENT CERTAIN CHILD NUTRITION PROGRAMS

WEDNESDAY, MARCH 7, 1984

House of Representatives,
Subcommittee on Elementary,
Secondary, and Vocational Education,
Committee on Education and Labor,
Washington, DC.

The subcommittee met, pursuant to call, in room 2261, Rayburn House Office Building, Hon. Carl D. Perkins (chairman) presiding.

Members present: Representatives Perkins, Kildee, Hayes, Goodling, Packard, Gunderson, and Nielson.

Staff present: John F. Jennings, assistant counsel; Mary Jane Fiske, Republican senior legislative associate, and Joleen Frederick, legislative specialist.

Chairman **Perkins**. The committee will come to order. I am sorry to be starting late this morning. This morning the Subcommittee on Elementary, Secondary, and Vocational Education will continue to hear testimony on H.R. 7, which extends five Children Nutrition Program authorities which will expire after September 30, 1984. These programs are the Summer Food Service Program of Commodity Distribution, the Nutrition Education and Training Program, the Special Supplemental Food Program for Women, Infants, and Children, and funding for State administrative expenses.

Today's testimony will focus on particular programs affected by this bill and other areas of child nutrition that merit concern. The subcommittee looks forward to hearing testimony from Linda Locke, the nutrition project director of Community Coordinated Child Care in Louisville, KY. She is accompanied by Helen Blank.

We also have as witnesses Gwen Chegwidden, representing the Society for Nutrition Education, and Jane Brokaw, the executive vice president of the American Camping Association, accompanied by Ed Cooney.

Our first witness is Linda Locke this morning, and you go right ahead. We're delighted to welcome you here.

[Prepared statement of Linda Locke follows:]

Prepared Statement of Linda Locke, Nutrition Project Director, Community Coordinated Child Care, Louisville, KY

Mr. Chairman, members of the Subcommittee, I am Linka Locke, Nutrition Director of Community Coordinated Child Care (4-C) of Louisville-Jefferson County, KY. We want to thank you for your constant support of child nutrition programs as evidenced by H.B. 4091. I appreciate the opportunity to testify today on how the CCFP affects the children we serve.

Community Coordinated Child Care is a private, non-profit United Way agency, dedicated to quality care for children, in the belief that every child in our community should have the opportunity to achieve his or her maximum potential. In pursuing this purpose, 4-C (a) coordinates and develops resources for young children, (b) gathers and disseminates information on Early Childhood, and (c) serves as an advocate for children and families. To achieve these goals, 4-C has developed these programs: (1) Purchase of Child Care, (2) JTPA Day Care Services, (3) 4-C Nutrition Project, (4) Special Education Program, (5) Learning Resources Center, and (6) Day Care Information and Referral Services.

The 4-C Nutrition Project serves as an Umbrella Sponsor in the Child Care Food Program. We currently sponsor 40 day care centers and 38 family day care homes serving over 3,000 children each month. In Louisville-Jefferson County, KY, 70% of the children participating in the CCFP are from low-income families. A large number of these children are from one-parent, female-headed households. These are low-income working parents, who are barely surviving financially. It is vital that these families have affordable, available, accessible day care so that they can continue to work, and to be productive members of society.

I want to express the deep appreciation on the part of the child care community for this committee's leadership in passing H.B. 4091. Your restoration of funding for three meals/two snacks will make it possible to provide adequate nutrition for children who average spending 10 to 12 hours a day in day care. Increased federal funding of reduced-priced meals, increased eligibility levels, and inclusion of unusually high medical bills in determining income eligibility will greatly assist us in adequately caring for children.

Today, I would like to address other critical areas of concern in the CCFP that were not addressed in H.B. 4091. These also are programs that were lost or cut in 1981 that continue to impair our ability to provide quality care for children. We still feel the effects of these cuts daily. We urge the committee to consider these issues in any legislation that will affect the CCFP.

1. The Tiering method of reimbursing day care centers needs to be restored. This allowed greater funding to flow to those centers which served a majority of low-income children. It was our experience that this change substantially cut funding to centers who were serving a majority of low-income working parents. Our center has its CCFP monthly reimbursement cut from approximately $1100 to $300. The deep cuts in CCFP funding were a major factor in the decision of two centers to close. These centers were located in low-income areas of Downtown Louisville. The majority of the centers' employees lived nearly and lost their jobs when the centers closed. Parents no longer has easy access to subsidized day care.

Centers adjusted to the loss of CCFP funds by raising fees to parents. Many parents could not afford the increased fees, and withdrew their children from the centers.

2. Equipment assistance needs to be restored. I am attaching a statement from Dr. Jay Caton, Food Service Director of the Jefferson County Public Schools concerning the need for restoration of these funds in the School Lunch Program. (Attachment 1.)

Equipment purchased when these funds were available is deteriorating and becoming obsolete. This year, one of our centers has experienced major problems with its freezer, dishwasher, and deep fryer. There are no other sources of funds—local, state or federal—to assit child care centers in replacing this equipment. Equipment assistance also aided in developing new centers in areas that would serve low-income children.

Child care programs have absolutely no flexibility in their budgets for expenditures of this magnitude. These are shoestring budget with 75% of the expenditures going to pay for salaries. I want to stress that day care salaries are extremely low—2 out of 3 employees in child care earn below the poverty level. I am including these examples of salaries paid to child care workers in our area, based on a 40 hour work week.

Director Salaries—$10,400—$18,700/yr.

(Job specification usually require a 4 yr. or advanced degree, and several years of administrative experience.)

Classroom Supervisor/Teacher—$6,900 (minimum wage)—$12,800/yr.

(Job specifications usually require at least a 2-year degree in Early Childhood Education. Many centers require a 4-year degree.)

Caregivers—$6,900 (minimum wage)—$10,400/yr.

(Job specification on-going training.)

Those who provide care for our nation's children are not being paid huge salaries. They are women and men who are dedicated to giving children the love and care that is so important in their formative years.

3. Legislative needs to be changed to allow "for-profit" centers to participate in the CCFP if 25% of their enrolled children are eligible for Title XX day care funding. The key word is eligible. Current legislative only allows "for-profits" to participate if 25% of their enrolled children are funded by Title XX.

In Kentucky, Title XX funds for day care are very scarce. This past year, Title XX eligibility was closed for 4 months because all available day care funds had been allocated. In addition, KY only provides Title XX day care funding to families whose income is below 60% of the state median income; all other Title XX services in KY find families who have income up to 80% of the state median income. The first priority for Title XX day care assistance in KY are children documented as being abused or neglected; the second priority are children of low-income working parents. Children whose parents are training, the children from multi-problem families are the next priorities, but do not get funded because of the scarcity of funds.

Other community resources, such as JTPA day care sevices, Community Development, Catholic Charities, and United Way provide day care assistance to Title XX eligible families. Many day care centers serving children funded from these resources are "for-profits." They can participate in the CCFP only if 25% of the children they serve have their day care fees paid by Title XX funding. Since their children are funded by sources other than Title XX, the CCFP is not available to these children even though the majority are Title XX eligible.

4-C currently sponsors 10 "for-profit" centers that are eligible for the CCFP. Over 70% of the children in these centers quality as low-income; and two of the centers have 100% of the children qualifying in this category. We have seen a tremendous change in the meals served in these centers. Before participating in the CCFP, none of these centers were serving breakfast, and the lunch and snack menus would at best be called "barely adequate." Even though these centers are deemed "for-profits," they cannot afford to provide the high nutritional quality mandated by the CCFP without the addition of CCFP funding. Many of these "for-profits" are in the poorest of the poor neighborhoods, and children are desperately in need of the benefits of the Child Care Food Program.

4. Adminstrative fees paid to sponsors of family day care homes need to be restored to previous levels. It is important to note that many states are currently moving away from licensing family day care; so it becomes even more important to support sponsors' abilities to maintain monitoring of family day care homes. In monitoring family day care, sponsors check on enrollment records, ages of the children, meal patterns, maintenance of licensing requirements, sanitation practices, income eligibility of the providers if they count their own children, and daily activities provided for the children. Sponsors train providers to ensure that they offer quality care.

Sponsoring organizations enforce the CCFP requirements that participating homes must be licensed. This stipulation has had a two-fold effect: it has brought more day care homes into licensing and into compliance with state and local requirements, and has provided the incentive for caregivers to become visible and accessible to parents.

Child Care Food Program sponsors exert a tremendous influence in family day care and have provided a strong impetus for the development of needed family day care systems. Sponsoring organizations encourage the delivery of quality care, reduce the management burden on state and local governments, and facilitate day care funding. In Louisville, the JTPA training program in adjacent rural counties was facing major difficulties in finding day care placements for trainees. The 4-C Nutrition Project was instrumental in developing new day care homes; currently 66% of the JTPA trainees residing in the rural counties have been placed in family day care. This would not have happened if 4-C had not been serving as a CCFP sponsor of family day care homes.

4-C currently sponsors 38 family day care homes in the CCFP. It costs our agency $58 per month for each home we sponsor; we only receive $46 per month per home from the CCFP. We feel very fortunate to be a United Way agency, because their funding makes up the shortage, and allows us to continue to sponsor these homes. I am providing a copy of our current 4-C nutrition budget to illustrate this. [Attachment 2]

We do not know how long United Way can and will continue to supplement our family day care home sponsorship. Other sponsors, especially small ones, may not be as fortunate to receive United Way funding.

The last and very important issue I want to address is the issue of the means test in family day care. We are dismayed by SB 1994, introduced by Senator Helms. Every federal dollar for family day care is so vitally important. Family Day Care Home provide over 50% of the child care arrangements in this country; and the CCFP is the single most important source of funds which supports the family day care system.

Family Day Care Homes take care of most of the children in child care under the age of 3; forty percent of the parents using family day care are single parent families. Many parents work odd hours and could not do so without the flexibility provided by family day care.

Last year, 4-C assisted a distraught parent in finding child care to fit her nurse's training schedule. She was a single parent needing care beginning at 5:30 a.m. for 6-week shifts which alternated with 6-week shifts scheduled from 12 noon to 8:00 p.m. She stressed that she would have to drop out of nurse's training if affordable child care that could accommodate her schedule could not be found. A family day care home under CCFP sponsorship was able to provide the flexible care she needed. Today, she is a registered nurse working at a local hospital, earning over $10.00 an hour.

The cost of family day care is usually below that of center care. Fees in family day care are more likely to be adjusted according to parents' work schedules, further reducing the cost. Family day care provides before and after school care, ensuring that children get to and from school safely. These children have care available when schools are closed for holidays or bad weather. In Louisville, children attend ½ day kindergarten sessions, either in the morning or afternoon. The family day care provider is especially important to these families. She makes sure the children are picked up and delivered by the school buses according to schedule. She also arranges to serve lunches at different times to accommodate children leaving at 11:30, and arriving at 12:30.

Family day care providers work 12–14 hour days caring for children, 5–6 days a week. This is a very difficult, emotionally stressful and physically exhausting job. Eighty-seven percent of family day care providers' earnings are below poverty level. These are low-income women, operating a business which utilizes their skills in caring for children. It is only because of the CCFP that many providers are licensed. visible taxpayers. Before CCFP participation, many family day care homes operated "underground" and providers did not pay taxes or make social security contributions.

The confidentiality of parent income information is an extremely sensitive issue in an informal family day care home setting in which the provider and parents often are friends and live in the same neighborhood. There is no direct financial incentive for parents to provide income information and many parents would refuse to do so.

The rapid growth of family day care participation in the CCFP has been repeatedly criticized. But it should be remembered that only a few years ago children cared for in family day care were not receiving any nutritional benefits from the CCFP.

The Evaluation of the Child Care Food Program conducted by Abt Associates found:

> Quite clearly that the CCFP is meeting its goals of providing nutritious meals to children in day care in an attempt to improve their diets . . . the nutritional quality and the variety of food served are significantly better in participating day care facilities than in non-participating facilities.

The success of this program is directly related to the simplicity of record-keeping for the provider. Because the program is currently easy to understand and implement, the providers have participated and the children have benefited. Low-income providers are those who find it most difficult to deal with forms and regulations; and would be the first to drop out if means testing were implemented.

Means testing would also create numerous administrative problems that would be cumbersome and costly to the CCFP sponsor. In addition to monitoring claims for the present categories of breakfast, lunch, supper, and supplements, it would also be necessary to monitor claims for free, reduced, and paid categories for each meal or supplement. Administratively, this adds a tremendous amount of paperwork, a longer time to complete each claim, and a greater chance for error. Because means testing would cause a large drop in provider participation, corresponding administrative reimbursement would be lost. This would mean a reduction in staff when the work load would be greatly increased.

The Abt study reported that food services costs in family day care were considerably higher than that of center-based care ($2.54 vs. $1.57 per lunch). On the average, CCFP reimbursement covered only 35% of food service costs in family day care homes.

4-C conducted a random survey among the homes we sponsor. They were asked what would happen if CCFP participation was no longer feasible or cost-effective. These are the results:

100% said they would substantially raise their fees.

80% would quit serving breakfast.

65% would serve lower quality meals.

50% said they would probably be forced to close, parents would withdraw their children because they could not afford the increase in fees.

A provider caring for 5 children (the average number of children cared for by one provider is 3.7) currently receives approximately $187 per month. If 40% of her children were classified as low-income, the reimbursement would decline to approximately $78.00. This would not cover the additional cost of maintaining CCFP meal standards for all the children in her care. She would be forced to drop out of the CCFP. The children then would not have any benefits of the CCFP available to them, especially the low-income children to whom means testing is suppoeedly targeted. This only tends to emphasize the point that providers cannot afford to participate in the CCFP if it is not cost-effective to them. Thousands of children would no longer have the nutritional benefits of the CCFP available to them. Providers would once again go underground; and the quality standards implemented by the CCFP monitoring would cease. This vitally important segment of the day care community would no longer be accessible and visable to parents who desperately need their services.

The goal of the CCFP is to raise the nutritional quality of food served to children while they are in day care. This goal would be negated under means testing. Without the CCFP available to all children and all families, the original goal of this program cannot be reached.

We are very concerned about the future and availability of these programs for children. As one who implements these programs at the local service levels, we have been disheartened and dismayed at how program cutbacks really do affect the lives of our children. We commend this committee for its continued support of child nutrition programs and for looking again at measures to remedy some of the critical shortages wrought in 1981.

ATTACHMENT 1

To Whom It May Concern:

The Jefferson County Public Schools have on-site food preparation in 136 locations. The food service program is presently solvent. However, that program faces massive equipment replacement needs. Those needs place the entire program in jeopardy.

A large number of the district's schools were built in the 1950's and early 1960's. Food preparation equipment in many of those schools has not been replaced since. Many pieces are operating beyond their life expectancies, and that is a situation which cannot be expected to continue indefinitely. Without efficient operational conditions the continued quality of Jefferson County's foodservice program cannot be assured.

For these reasons, it is requested that immediate attention be given to the reinstitution of non-food assistance, absent since 1981, to those organizations committed to providing nutritious meals to children.

Sincerely,

JAY CATON.

ATTACHMENT 2

COMMUNITY COORDINATED CHILD CARE NUTRITION PROJECT

[October 1, 1983 to September 30, 1984]

	Total	FDCH (40 percent)	CCFP (60 percent)
Expenses:			
Salaries	$34,708.00	$11,784.00	$17,675.00
Fringe benefits	4,776.00	1,910.00	2,866.00
Professional fees	3,810.00	1,524.00	2,286.00

COMMUNITY COORDINATED CHILD CARE NUTRITION PROJECT—Continued

[October 1, 1983 to September 30, 1984]

	Total	FDCH (40 percent)	CCFP (60 percent)
Administrative salaries	5,852.00	4,440.00	6,661.00
Total salaries	49,146.00	19,658.00	29,488.00
Supplies	1,159.00	464.00	695.00
Telephone	802.00	321.00	481.00
Postage	618.00	247.00	371.00
Rent	1,795.00	718.00	1,077.00
Maintenance	353.00	141.00	212.00
Printing	462.00	185.00	277.00
Travel	1,972.00	789.00	1,183.00
Conferences/Training	1,378.00	551.00	827.00
Insurance	251.00	101.00	150.00
Audit	568.00	227.00	341.00
Miscellaneous	172.00	69.00	103.00
Total	58,676.00	23,471.00	35,205.00

Salaries:	
Nutrition director	$16,197.00
Dietitian	13,262.00
Clerk-typist	5,249.00
Total	34,708.00
Fringe—12 percent	4,164.00
Professional fees	3,810.00
Total	7,974.00
Administrative salaries	5,852.00
Administrative fringes	612.00
Total	6,464.00
Total salaries	49,146.00
Monthly administrative charges:	
CCFP	2,934.00
FDCH	1,956.00
Total per month	4,890.00
Administration charge per FDCH (based on 34 homes):	
Salary	48
Other	10
Total	58

STATEMENT OF LINDA LOCKE, NUTRITION PROJECT DIRECTOR, COMMUNITY COORDINATED CHILD CARE OF LOUISVILLE, REPRESENTING CHILD CARE FOOD PROGRAM SPONSORS' FORUM, ACCOMPANIED BY HELEN BLANK, DIRECTOR, CHILD CARE AND FAMILY SUPPORT SERVICES, CHILDREN'S DEFENSE FUND

Ms. LOCKE. Mr. Chairman and members of the Subcommittee, I am Linda Locke, Nutrition Director of Community Coordinated Child Care, commonly known as 4-C, of Louisville, Jefferson County, KY.

We want to thank you, as day care members, day care community, for your constant support of Child Nutrition Programs. I appreciate the opportunity today to testify on how the child care food program affects the children that we serve in our community.

4–C nutrition project serves as an umbrella sponsor in the Child Care Food Program. We have 40 day care centers and 30 family day care homes serving over 3,000 children each day, just in our community. Seventy percent of these children are from low income families. A large number of the children are from single, one-parent, female-headed households. It is vital that these families have available, affordable, accessible, day care so that they can continue to work and to be productive members of society.

I want to express deep appreciation on our part for this committee's bipartisan leadership in passing House bill 4091.

Today I would like to address other critical areas of concern in the Child Care Food Program that were not addressed in 4091. The first area of concern is the tiering method of reimbursement to day care centers. This not only allowed greater funding to flow to centers who were serving a majority of low income children but it simplified administrative procedures by cutting back on paperwork. It was our experience that this cut substantially cut funding to centers who were serving the majority of low income working parents.

One day care center had its food program reimbursement cut from $1,100 to $300 a month, which was much greater than maybe had been reported by the media. Deep cuts in CCFP funding were a major factor in two day care centers' decision to close. These day care centers were located in low income areas of downtown Louisville.

The majority of the centers' employees lost their jobs because they lived nearby. Parents no longer had easy access to affordable day care. Many parents could not afford the increased fees that were a result of the loss of Child Care Food Program funding, and they withdrew their children from centers.

A second issue I want to address is equipment assistance. Equipment assistance purchased when these funds were available is deteriorating and becoming obsolete. This year one of the day care centers that we serve has experienced major problems with its freezer, dishwasher and deep fryer. They're just keeping their fingers crossed. There are no other sources of funds, local, State, or Federal, to assist child care centers in replacing this equipment.

Equipment assistance also aided in developing new centers in areas that would serve low income children. Child care programs have absolutely no flexibility in their budgets for expenditures of this magnitude. These are shoestring budgets with 75 percent of the expenditures going to pay for salaries.

I'd like to give you some examples of child care salaries in our area. A classroom supervisor's salaries range on a 40-hour work week, from minimum wage, which is around $7,000 a year, to approximately $12,000 to $13,000. People who assist them in the classroom, the care givers, average minimum wage to about $10,400 a year.

The third issue of concern is that legislation needs to be changed to allow for-profit centers to participate in the child care food program if they are serving low income title 20-eligible children. We have a shortfall of title 20 funds [illegible] Kentucky. They are very scarce. And because there are no title 20 funds, children are being denied Child Care Food Program benefits because they're not funded by title 20. If they're title 20 eligible, that's the key we're looking for.

4-C currently sponsors 10 day care centers that are eligible for the Child Care Food Program that are considered for profits. Many of these for profits are in the poorest of the poor neighborhoods and the children are desperately in need of the benefits of the food program.

The next issue of concern is that administrative fees paid to sponsors of family day care homes need to be restored to previous levels. Quality child care requires ongoing monitoring and the Child Care Food Program is one of the very few supports of quality child care in family day care homes.

It costs our agency $58 per month for each day care home that we sponsor. We only receive $46 per month from the Child Care Food Program. We're fortunate we are a United Way agency, and they make up the difference. But a lot of sponsors are not so fortunate.

The last and very important issue I want to address is the issue of the means test in family day care. We are dismayed at Senate bill 1994 introduced by Jesse Helms. Every Federal dollar for family day care is so vitally important. Family day care homes provide over 50 percent of child care arrangements in this country, and the Child Care Food Program is the single most important source of funds which supports the family day care system.

Family day care homes take care of most of the children in child care under the age of 3. Forty percent of the families using family day care are single parent families. Many parents work odd hours and could not do so without the flexibility afforded by family day care arrangements.

I want to give you an example of the flexibility. Last year 4-C assisted a distraught parent in finding child care to fit her nurse's training schedule. She was a single parent needing care on alternate 6-week shifts. One shift started at 5:30. The next 6 weeks the shift went from 12 to 8 at night. She stressed that she would have to drop out of nurse's training if affordable child care could not accommodate her schedule. A family day care home under CCFP sponsorship was able to provide this flexible care. Today she's a registered nurse working at a local hospital and she is self-supporting.

The cost of family day care is usually below that of center care. Fees in family day care are more likely to be adjusted according to parents' work schedule, further reducing the cost. Family day care provides before- and after-school care, ensuring that children get to and from school safely.

The children have care available when we have snow days, or when the schools are closed for holidays.

In Louisville, children attend either half-day morning sessions or half-day afternoon sessions of kindergarten. A family day care provider is especially important to these families. She arranges to have lunch at 11:30 for the children who are fixing to leave and then she arranges to have lunch for the children who arrive at 12:30. She makes sure that they get on the right buses, they get back when they're supposed to, which is a very big concern if you have a child in kindergarten and you're working and your child's only going half days.

Family day care providers work 12 to 14 hours a day caring for children, 5 to 6 days a week. This is very difficult, emotionally stressful, and a physically exhausting job 87 percent of family day care providers' earnings are below the poverty level. These are low income women, operating a business which utilizes their skills in caring for children. And it is only because of the Child Care Food Program that many providers are licensed, visible, taxpayers.

Before CCFP participation, many family day care homes operated underground and providers did not pay taxes or make social security contributions.

The confidentiality of parent income information is an extremely sensitive issue in the formal family day care home setting. The provider and parents are often friends. They live in the same neighborhood many times. There is no direct financial incentive of parents to provide income information, and many parents would refuse to do so.

The rapid growth of family day care homes in the Child Care Food Program has been repeatedly criticized, but it should be remembered that only a few years ago children cared for in family day care were not receiving any benefits from the Child Care Food Program. The success of this program is directly related to the simplicity of the recordkeeping for the provider.

The program is currently easy to understand and implement, and because of this providers have participated and the children have benefited.

Low-income providers are those who find it the most difficult to deal with forms and regulation and they would be the first to drop out if means testing were implemented.

The Hunger Commission's approach of geographic means testing would not work in many areas, including Louisville. Communities with successful desegregation plans would not be able to use the eligibility of the free, reduced-price lunches of neighborhood schools. Especially in rural areas, the mixed socioeconomic population, such as small cities and rural areas have, would also be at a disadvantage.

4-C conducted a random survey among the homes we sponsored. They were asked what would happen if child care food program participation was no longer feasible or cost effective for you. These are the results: 100 percent of the homes said they would have to substantially raise their fees to parents; 80 percent felt they would have to quit serving breakfast; 65 percent felt they would have to serve lower quality meals; 50 percent said they would probably be forced to close because parents would withdraw their children. They would not be able to afford the increase in fees.

A provider caring for five children, the average number of children cared for by one provider is 3.7, she currently receives approximately $187 a month. If 40 percent of her children were classified as low income, the reimbursement would decline to approximately $78. This would not cover the additional cost of maintaining CCFP meal standards for all the children in her care, and she would have to do so, because current regulations and legislation mandate that she cannot discriminate in the course of meal service by providing peanut butter to one child and hamburger to another.

The children would not have any benefits of CCFP available, especially the low income children to whom means testing is supposedly targeted.

Providers would once again go underground. The quality standards implemented by the Child Care Food Program monitoring would cease. This vitally important segment of the day care community would no longer be accessible and visible to parents who desperately need their services.

The goal of the Child Care Food Program is to raise the nutritional quality of food served to children while they are in day care. That would not be what would happen under means testing. Without the CCFP available to all children, all families, the original goal of this program cannot be reached.

We are very concerned about the future and availability of these programs to the children we serve. As one who implemented programs at local service levels, we have been disheartened and dismayed at how program cutbacks really do affect the lives of children. We commend this committee for its continued bipartisan support of child nutrition programs and for looking again at measures to remedy some of the critical shortages brought in 1981.

Thank you.

Chairman **Perkins**. Thank you this morning for excellent testimony. We are delighted that all of you are up here.

We will go along, I think, to expedite the hearings, before we call on the members, Gwen Chegwidden. Is that the way that name is pronounced, Chegwidden?

Ms. **Chegwidden**. Just like it's spelled, Chegwidden.

Chairman **Perkins**. All right, Ms. Chegwidden. Go right ahead.

Ms. **Chegwidden**. Thank you.

[Prepared statement of Gwen Chegwidden follows:]

PREPARED STATEMENT OF GWEN CHEGWIDDEN, NUTRITION EDUCATION CONSULTANT AND FORMER FOOD SERVICE DIRECTOR MEMBER, SOCIETY FOR NUTRITION EDUCATION

Mr. Chairman, Members of the Subcommittee: I am Gwen Chegwidden, a nutrition education consultant and former food service director from Pennsylvania. I am here today speaking on behalf of the Society for Nutrition Education (SNE), a professional organization of nutrition educators, which has made the continuation and adequate funding of the Nutrition Education and Training (NET) Program one of its highest priorities.

I want to begin by thanking you for the opportunity to testify on behalf of SNE for the NET Program. I also want to express appreciation for the leadership and support which this committee has given to the child nutrition programs over the years. In my testimony today I want to tell you what the NET Program has accomplished to date and what its needs are for the future.

As you know, the NET program came into existence in 1977 an amendment to the Child Nutrition Act of 1966 (P.L. 95-166). The goals of the program as established by law includes: 1) instructing students with regard to the nutritional value of foods and the relationship between food and human health; 2) training school food service personnel in the principles and practices of food service management; 3) instructing teachers in sound principles of nutrition education; and 4) developing and using classroom materials and curricula. Thus, the NET Program is much more than mere curriculum development as claimed by the Administration in its FY 85 budget proposal (the Administration stated that the NET Program should be terminated because "this program's objective—curriculum development—has been accomplished").

NET not only teaches the concepts of food as it relates to nutrition, but actually puts these concepts into practice in the lunchroom, thereby turning the school cafeteria into a nutrition learning laboratory. It is important to realize, however, that nutrition education is not a static discipline and therefore, there is a continuous need to develop new materials to meet emerging needs. Furthermore, curriculum development without training of teachers in how to use the materials will result in the materials merely sitting on a shelf. The effectiveness of nutrition education is dependent upon the classroom teacher possessing basic usable nutrition knowledge as well as the techniques and tools necessary to motivate children to make informed food choices. Based on our feedback from teachers nationwide, there is a desperate need for training of the teachers providing nutrition education in the classroom in order that they provide accurate information on a timely basis.

The NET Program is equally important in that it provides for the training of the food services worker and thereby helps to improve school meal management overall. With the decreased funding for the Child Nutrition Program it becomes more important than ever that the food service worker be adequately trained in nutrition and food service management

Finally, the NET Program is important as a cost savings measure because it can ultimately decrease health care costs. Education of school age children is thought to be the most cost-efficient way in which to develop a nutritionally informed population since lifetime food habits are established at an early age. By teaching wise food choices early in life, the program helps to minimize future health care costs resulting from poor dietary choices. In a country where six of the ten leading causes of death are linked to diet, and dental caries and iron deficiency plaque much of the school age population, this is an important consideration.

NET is currently operating in 54 states and territories and has reached over 19,072,282 students, 619,568 teachers and 351,748 food service personnel with nutrition education information. Additionally, many states have been able to provide nutrition education information to parents, nurses, dentists, coaches, principals, superintendents and school business managers as well. Each of these individuals can play an important role in reaching children with nutrition education.

Since its inception the NET Program has met with success. An independent program evaluation funded by USDA and conducted by Abt Associates, Inc. in 1981 found that even in the initial years NET Programs were functioning well and that program activities were having a positive impact on nutrition knowledge and food preferences of children. The GAO Report entitled "What Can Be Done to Improve Nutrition Education Efforts in the Schools?" complied in May 1982 by the General Accounting Office for the Administration, likewise supported the importance and cost-effectiveness of nutrition education in general and the NET Programs in particular. The NET Program was cited as an effective way to implement a much needed educational program. Evaluations of the NET Program in the various states have found equally impressive results including:

Decrease in plate waste.

Increase in school lunch participation.

Increase in nutrition knowledge among students, teachers and school food service personnel.

Change in nutrition practices among students, teachers, and school food service personnel.

Change in attitude toward nutrition among students, teachers and food service personnel.

Increase in parent involvement in nutrition education activities.

Additionally, many states are now using innovative techniques to reach the groups targeted by law including:

Mass media.

Computers.

Resource centers.

Cores of nutrition education trainers.

NET Coordinators have also begun sharing materials and disseminating their nutrition education programs between the various states. Finally, NET has a strong catalytic effect on nutrition eduction in the states with the small federal investment generating considerable state and local support.

Unfortunately, the progress made by the NET Program thus far is threatened by the continual decrease in program funding. Over the years NET funding has decreased as follows: FY 78 & 79—$26 million, FY 80—$20 million, FY 81—$15 million, FY 82 to present—$5 million. Thus, originally funded at a level of 50 cents per child, this went down to 30 cents per child in 1980 and down to 10 cents per child in 1982 where it remains today. This decrease in funding has meant that fewer teachers, school food service personnel and students are being reached with nutrition information. States have had to substantially decrease program activities and change program focuses. Additionally, in states carrying out multi-year projects, there has sometimes been no money available to finish off the projects. Finally, for the past three years a lack of cash flow due to funds not being forwarded in a timely manner under the continuing resolution has created severe problems for NET Program administrators. Given the tremendous need for nutrition education information as evidenced by the needs assessment carried out by the state agencies administering the program, the limited funding is indeed a major short coming of the NET Program. Additionally, USDA has recently amended the regulations to allow states the option of appointing part-time nutrition education coordinators, citing funding constraints as the rationale for the change. However, given the responsibilities of the state and coordinator which include preparing comprehensive state plans and coordinating the nutrition education programs being carried out throughout the state with NET monies, it seems unlikely if not impossible that a part-time coordinator would be able to fulfill these responsibilities. The program's success is also threatened by the fact that for the past few years the Administration has recommended $0 funding for the program. It is difficult to maintain on-going programs and to develop long-range plans when the program's very existence is in question.

SNE is asking that you and the members of this committee support the continuation of the NET Program. Although we would like to see the program fully funded at the original level of 50 cents per child, we are asking for a minimum of $10 million for now. We recognize that this level is slightly higher than the $7.5 million included under H.R. 4091, but this small increase in funding would have a beneficial effect on the program by allowing for greater outreach and program activities. It would also enable states to pay full-time coordinators, a necessity for a strong NET Program. Therefore, we ask that you give serious consideration to funding the program at $10 million. Finally, SNE strongly supports the permanent authorization of the program as provided for under H.R. 7. This would greatly facilitate the continuation of on-going programs and the development of long-range plans.

The NET Program enjoys wide support within the child nutrition community. Moreover, it has many of the characteristics advocated by the Administration—it is cost-effective, it is based on the needs of each individual state, it contributes to the efficient management of the Child Nutrition Programs and it teaches responsibility for one's own health. The program has done much in its short existence, but much remains to be done. NET has reached only a small proportion of the intended audience. To eliminate it now means that many children, teachers and school food service personnel will not be provided with nutrition education information. Continued support and increased funding for this program is a small, but far reaching investment in the future of the nation's children.

Thank you for your time and concern.

STATEMENT OF GWEN CHEGWIDDEN, NUTRITION EDUCATION CONSULTANT AND FORMER SCHOOL FOOD SERVICE DIRECTOR, REPRESENTING THE SOCIETY FOR NUTRITION EDUCATION

Ms. CHEGWIDDEN. Mr. Chairman and members of the subcommittee, I am Gwen Chegwidden, a nutrition education consultant and former food service director from Pennsylvania. I have been before this committee before on behalf of children and school lunch. And it has always been my goal to make the dollars that were appropriated by Congress nutritionally important at the local level and today I'm speaking on behalf of the Society for Nutrition Education, a professional organization of nutrition educators, which has made the continuation and adequate funding of the Nutrition Education and Training Program one of its highest priorities.

I want to begin by thanking you for the opportunity to testify on behalf of SNE for the net program. I also want to express appreciation for the leadership and support which this committee has given to the child nutrition programs over the years.

It's my testimony today to tell you what the net program has accomplished to date and what its needs are for the future. As you well know, the net program came into existence in 1977 as an amendment to the Child Nutrition Act of 1966. And that was such good news for our food service directors to realize that there was going to be support from the Federal level to make nutrition important to the school lunch.

The goals of the program as established by law include instructing students with regard to the nutritional value of foods and the relationship between food and human health, the training of school food service personnel in the principles and practices of food service management, instructing teachers in sound principles of nutrition education, and fourth, developing and using classroom materials and curricula. Thus, the NET Program is much more than mere curriculum development, as claimed by the administration in its fiscal year 1985 budget proposal.

The administration stated that the NET Program should be terminated because this program's objective, curriculum development, has been accomplished. Net not only teaches the concept of food as it relates to nutrition, but actually puts these concepts into practice in the lunchroom.

And therefore, turning the school cafeteria into a nutrition learning laboratory is what is accomplished by the program. And it was always my feeling that we spend an awful lot of money on cafeterias and then don't get that value out of them as a laboratory. We have physics laboratories and we teach physics. We have chemistry laboratories and we teach chemistry. We have nutrition laboratories where we should be teaching nutrition.

And to emphasize that, in the school district where I was, we always answered the phone, "nutrition center," and it was a case of trying to create an image for the students and the faculty that this was a nutrition laboratory.

It's important to realize, however, that nutrition education is not a static discipline and, therefore, there is a continuous need to develop new materials to meet emerging needs. Furthermore, curriculum development without training of teachers in how to use the materials will result in the materials merely sitting on a shelf. The effectiveness of nutrition education is dependent upon the classroom teacher, possessing basic usable nutrition knowledge as well as the techniques and tools necessary to motivate children to make informed food choices.

Based on our feedback from teachers nationwide, there is a desperate need for training of the teachers providing nutrition education in the classroom, in order that they provide accurate information on a timely basis. And we all know that in this area of fad diets there's a lot of misinformation in the area of nutrition, and it's important that children have access to what is valid.

The NET Program is equally important in that it provides for the training of the food service worker and thereby helps to improve school meal management overall. With the decreased funding for the child nutrition programs, it becomes more important than ever that the food service worker be adequately trained in nutrition and food service management.

Finally, the NET Program is important as a cost saving measure because it can ultimately decrease health care costs. Education of school-aged children is thought to be the most cost-efficient way in which to develop a nutritionally informed population, since lifetime food habits are established at an early age. By teaching wise food choices early in life, the program helps to minimize the future health care costs, resulting from poor dietary choices.

In a country where 6 of the 10 leading causes of death are linked to diet and dental caries and iron deficiency plague much of the school-age population, this is an important consideration. NET is currently operating in 54 States and territories and has reached over 19,072,282 students, 619,568 teachers, and 351,748 food service personnel with nutrition education information.

Additionally, many States have been able to provide nutrition education information to parents, nurses, dentists, coaches, principals, superintendants, and school business managers as well. Each of these individuals can play an important role in reaching children with nutrition education. Since its inception, the NET Program has met with success. An independent program evaluation, funded by USDA, and conducted by ABT Associates, Inc. in 1981, found that even the initial year's NET programs were functioning well and that program activities were having a positive impact on nutrition knowledge and food preferences of children.

The GAO report entitled "What Can Be Done To Improve Nutrition Education Efforts in the Schools?" compiled in May 1981 by the General Accounting Office for the administration, likewise supported the importance and cost effectiveness of nutrition education in general and the NET Program in particular. The NET Program was cited as an effective way to implement a much-needed educational program. Evaluations of the NET Program in the various states have found equally impressive results.

Decrease in plate waste, and I think all of us have to admit that it's the prejudice, prejudices in food, for or against, that caused the health problems. Increase in school lunch participation, increase in nutrition knowledge among students, teachers, and school food service personnel, change in nutrition practices among students, teachers, and school food service personnel.

One teacher told me one time, "I've listened to you for several years and finally it's making sense to me." Now, that's strange that it takes that much to change peoples' food habits. But it does.

Change in attitude toward nutrition among students, teachers, and food service personnel, increase in parent involvement in nutrition education activities. Additionally, many States are now using innovative techniques to reach the groups targeted by law, including the mass media, computers, resource centers, cores of nutrition education trainers.

NET coordinators have also begun sharing materials and disseminating their nutrition educational program between the various States.

Finally, NET has a strong catalytic effect on nutrition education in the States with the small Federal investment, generating considerable State and local support.

Unfortunately, the progress made by the NET Program thus far is threatened by the continual decrease in program funding over the years. NET funding has decreased as follows: Fiscal year 1978 to 1979, $26 million. Fiscal year 1980, $20 million. Fiscal year 1981, $15 million. Fiscal year 1982, to the present, $5 million. Thus, originally funded at a level of 50 cents per child, it went down to 30 cents in 1980 and down to 10 cents in 1982, where it remains today.

This decrease in funding has meant that fewer teachers, school food service personnel and students are being reached with nutrition information. States have had to substantially decrease program activities and change program focus.

Additionally, in States carrying out multiyear projects, there has sometimes been no money available to finish off the project.

Finally, for the past 3 years a lack of cash flow due to funds not being forwarded in a timely manner under the continuing resolution has created severe problems for NET Program administrations. Given the tremendous need for nutrition education information as evidenced by the needs assessment carried out by the State agencies administering the program, the limited funding is, indeed, a major shortcoming of the NET Program.

Additionally, USDA has recently amended the regulations to allow states the option of appointing part-time nutrition education coordinators, citing funding constraints as a rationale for the change. However, given the responsibilities of the State coordinator, which include preparing comprehensive State plans, coordinating the Nutrition Education Program being carried out throughout the State with NET moneys, it seems unlikely, if not impossible, that a part-time coordinator would be able to fulfill these responsibilities.

The program's success is also threatened by the fact that for the past few years the administration has recommended no funding for the program. It is difficult to maintain ongoing programs and to develop long-range plans when the program's very existence is in question.

The Society for Nutrition Education is asking that you and the members of this committee support the continuation of the NET Program. Although we would like to see the program fully funded at the original level of 50 cents per child, we are asking for a minimum of $10 million for now. We recognize that this level is slightly higher than the $7.5 million included under H.R. 4091. But this small increase in funding would have a beneficial effect on the program by allowing for greater outreach and program activity.

It would also enable States to pay full-time coordinators, a necessity for a strong NET Program. Therefore, we ask that you give serious consideration to funding the program at $10 million.

Finally, SNE strongly supports the permanent authorization of the program as provided for under H.R. 7. This would greatly facilitate the continuation of ongoing programs and the development of long-range plans.

The NET Program enjoys wide support within the child nutrition community. Moreover, it has many of the characteristics advocated by the administration. It's cost effective, based on the needs of each individual State, contributes to the efficient management of the child nutrition program, and it teaches responsibility for one's own health.

The program has done much in its short existence, but much remains to be done. NET has reached only a small proportion of the intended audience. To eliminate it now means that many children, teachers, and school food service personnel will not be provided with nutrition education information.

Continued support and increased funding for this program is a small but far-reaching investment in the future of the Nation's children. Thank you for your time.

Chairman **Perkins**. Thank you very much for an excellent statement.

Our next witness is Jani Brokaw. Go right ahead, Ms. Brokaw, and proceed in any manner you prefer.

[Prepared statement of Jani Brokaw follows:]

PREPARED STATEMENT OF JANI BROKAW, VICE PRESIDENT, AMERICAN CAMPING ASSOCIATION

Mr. Chairman and Members of the Select Subcommittee on Elementary, Secondary and Vocational Education:

I am Jani Brokaw from New York City. I am a Vice President of the American Camping Association which is located on the Outdoor Education Campus of Indiana University near Martinsville, Indiana, and am the Executive of the Trail Blazer Camps.

American Camping Association is a national non-profit professional organization founded in 1919 to achieve professional practices in organized camps, and to interpret the role of youth camps in the United States. Within our membership are the directors and owners of children's camps, camps for senior citizens, for families, and a great variety of special populations whose sponsors or owners include private individuals, community organizations, the major religious denominations and all the great youth serving organizations in the nation including Boy and Girl Scouts, the Y's, Camp Fire, Jewish Welfare Board and Salvation Army. The American Camping Association's national office and fulltime staff is headquartered at Bradford Woods, Martinsville, Indiana, on the Outdoor Education Campus of Indiana University. Thirty-two local Sections (Chapters) serve the membership and public.

American Camping Association represents some 60% of the over 11,000 camps in the country. We estimate over 8,000,000 children are served by the nation's camps each year and over 4,000,000 attend ACA Accredited Camps. One fourth of the camps in the United States are actually accredited under ACA's National Standards Program. Other camps, such as private, national agencies and organizations are also influenced through participation of their national leadership in the American Camping Association.

The Association's "Parents' Guide to Accredited Camps" lists 2,200 youth camps which have been visited while in operation by trained ACA inspectors and accredited by ACA. These camps are located in all 50 states and several foreign countries. I have placed a copy of this "Parents' Guide" in each member's packet.

The activities of our camps vary as widely as the purposes, personalities and goals of their owners and sponsors, but on one goal all youth camp leaders in the United States are united . . . all professionals in the camping field want to operate safe and healthy camps for those boys and girls entrusted to them. This is not just from the dedication and deep concern for children which camping people already have, but it is obviously "good business" and necessary for each camp's reputation.

I would like to attest to the benefit of the Summer Feeding Program as it affects organized camps across the land, not only on behalf of the members of the American Camping Association but the directors of many camps not affiliated with our organization. From the earliest days of organized camps in our country, there has been a strong interest and concern to provide an outdoor living experience for youngsters from the lower economic strata of society. Early attention to this need was seen in the Settlement House Deal with particular concern for youngsters living in the crowded tenements in the city, but soon spread throughout a variety of agencies and religious groups. A resurgence of the concern nationally for the "downtrodden" during the '60's provided some funding and increased activity for camping for the intercity child.

In recent years, the soaring rate of inflation and recessionary pressures have made it increasingly difficult for the non-profit camp organized to serve children from lower income families. Non-profit organizations, including churches, have made efforts to increase the contributory dollar to meet the increasing costs, but often funds available meant the organizations had to limit the number of camperships.

The Summer Feeding Program has provided an opportunity to not only meet the goals of providing better nutrition for qualified children but also the concern of organizations to increase the number of youth having an outdoor group living experience.

Rather than to belabor my comments, I thought you might enjoy hearing from your constituency directly . . .

A director of a Salvation Army resident camp reported their camp was able to service an additional 125 youngsters from the black community who probably would not have had participated in the Summer Feeding Program in their community.

The Director of Happy Hollow Children's Camps, Inc. of Indianapolis, Indiana, reports that the Summer Feeding Program funding enabled their camp to serve better quality meals with more meat and fruit juices.

The director of a New York camp reported that their camp was able to provide the best quality food they have ever been able to serve totally due to the Summer Feeding Program.

The Director of the Fresh Air Funds Camps of New York stated that (1) the Summer Feeding Program has fostered not only increased awareness of good nutrition but conscious efforts by staff to teach principles to campers, and (2) the Food Program requirements and enforcement by state department officials have led to better food handling practices, e.g. use of foods without additives or preservatives, use of only fresh vegetables, and increased concern for storage.

The Director of four camps of Hiram House in Chagrin Falls, Ohio, notes that it enabled limited funds to spread in order to serve more children in the area and, thus, serve more nutritious meals to more children.

The Director of Catholic Youth Camps in St. Paul, Minnesota, reported "We were able to increase by 100% the number of poor children coming to camp in our scholarship program. Those additional 25 children would not have come to camp if we had not been provided funds through the SFSP. Needless to say, the environment from which they came would not have provided them with the nutritious meals they received while at camp, let alone the opportunity to leave the intercity and experience the wonder of God's creation."

Since 1976, Channel Three Country Camp has participated in the Summer Food Service Program as administered by the Connecticut State Board of Education. The Program enables us to improve the quality of the camp's food service which provides three meals and a snack daily for over 100 children during an 8-week summer period. These children are from low-income families, individually documented as to family size and income. Loss of this Program would severely threaten our camp's ability to continue providing camping services to these families who will have little or no alternative for summer recreational programs or nutritious meals.

So to summarize, I find camp directors from throughout the country identifying three major accomplishments of the Summer Feeding Program in camp:

1. They have been able to enroll some additional low-income youngsters in camp, and, therefore increased the number of children receiving nutritional food.
2. They have been able to enrich menus, providing more fresh vegetables, fruits, meat and milk than has ever been possible in the tightly-squeezed food budgets of non-profit organizations.
3. They have been able to provide nutritious meals that could never have been budgeted, thus enriching the child's diet.

Camp often becomes the important link in providing care for children of the single parent and homes where both parents work. It not only provides good supervision but insures nutritious meals, served by leaders with concern for each child's food consumption.

There is probably no group other than school lunch directors with greater experience in careful food preparation, budgeting and cost controls than the camp director and his/her food service manager. Even before the days of inflation/recession, camp directors have had to carefully budget food purchases, design menus to get the greatest value for the dollar, and to carefully control service to prevent waste. Many of the provisions and regulations of the Summer Feeding Program are second nature to the camp director, and I have been able to document very little waste in camp programs across the country. Much of the credit for improved menus and cost controls goes to the staff of the Food and Nutrition Service who have prepared excellent guidelines and resources for camp food service personnel.

We view the proposed Block Grant with alarm for several reasons.

1. We believe in many, and perhaps most states, there would be a tendency to utilize all the funds through public entities. Since 95% of organized camping is done under private auspices, this would miss the majority of low-income youngsters who go to camp, as well as eliminate many others from being able to attend camp. From

the outset, there are 17 states that, by state law, would currently be unable to serve non-public camps. We believe the private sector has a strong and viable role in service to the low-income youngster.

2. We believe there would be a great diversity in eligibility standards, nutritional guidelines and assistance under the Block Grant plan. Good nutrition does not vary from state to state. A child's nutritional needs are a national concern. The state by state regulation would make it doubly difficult for many camps which are physically located in one state but serve clientele from adjoining states. The program deserves a national standard and administration.

We have great concern about the number of local units of national youth serving organizations such as Boy Scouts, YMCA, etc. who have dropped out of this program because of the increased paperwork required by the collection of social security numbers for all adult members of a camper's household. These camps felt the increased cost of meeting these requirements was more than the reimbursement received. The camps that have dropped have most often been camps which have been involving low-income youth as a mainstream segment of a camp population rather than camps exclusively for low-income youngsters. We regret that these opportunities for intercultural and cross-societal experiences have been eliminated for many youngsters.

The American Camping Association supports the value of the Summer Feeding Program and urges this Committee to reauthorize its existence under the present system. We believe that organized camps are a valuable extension of the Child Nutrition Program during the rest of the year. We believe that it is an excellent demonstration of the collaboration of the public and private sector in serving needy children. Make it possible for us to continue to do so.

STATEMENT OF JANI BROKAW, EXECUTIVE VICE PRESIDENT, AMERICAN CAMPING ASSOCIATION, ACCOMPANIED BY EDWARD COONEY, STAFF ATTORNEY, FOOD RESEARCH AND ACTION CENTER, REPRESENTING THE NATIONAL ANTIHUNGER COALITION

Ms. **Brokaw**. Thank you.

Mr. Chairman and members of the subcommittee, my name is Jani Brokaw. I'm from New York City. I am here on behalf of the American Camping Association today. I'm a volunteer for them, currently serving as vice president of the board. I'm also the executive director of Trailblazers, which is a private not-for-profit corporation serving needy children from New York City.

The American Camping Association is a national, not-for-profit organization for professionals in the field, which was founded in order to achieve professional practices in organized camps and to interpret the role of youth camps in the United States. The ACA is widely representative and includes groups such as Campfire, the Boy Scouts, the YMCA, the YWCA, Girl Scouts, the Jewish Welfare Board, the Salvation Army, and a variety of other private and not-for-profit operations.

The American Camping Association currently represents about 60 percent of organized camps in the country. Those camps serve approximately 8 million children today.

Of the camps in the United States, about 25 percent are currently accredited by the ACA, and the Parents' Guide that's in your packet represents those people, to give you a feel for the scope of the ACA, and if you have kids you want to send to camp, you might look through there and pick one you might like. [Laughter.]

So that's just to give you a feel for the scope of the ACA. Every camp is different from any other. But one of the major focuses of the ACA, over the last decade, has been to serve needy children. A lot of camps and a lot of organizations have set aside campership funds and scholarship funds in order to mainstream needy children through scholarship programs, or to enable camps to serve total populations of disadvantaged children.

The Summer Food Service Program has enabled camps and organizations to do that better than they were able to do prior to the establishment of the Summer Food Program. A major focus of several of those programs is food, nutrition, and health. Some of the examples that are in the testimony are from around the country. The Salvation Army credits the Summer Food Service Program for helping them to serve more nutritionally sound meals. The Fresh Air Fund Camps of New York credit the Summer Food Program for including a greater amount of fresh vegetables and fruits and milks and a variety of meats into the diet. The director of the CYO camps in St. Paul, MN, says they are able to serve additional children that they are unable to serve without he reimbursement program that the Summer Food Service offers, and as executive director of Trailblazer Camps, we serve only disadvantaged children. We've been participating in the Summer Food Service Programs for years. The major focus of what we do is food, health, and nutrition, and we are really dependent on the Summer Food Service for helping us, not only in the education piece but in order to serve those meals to needy children.

The food program that gets offered in summer camps is an extension of what they're able to receive in the school system. But in the camping program we're able to do it three meals a day and we're in a position where the nutrition education piece is also vital, and the Summer Food Service supports the nutrition education piece, as well as the three meals a day. So, we feel like we're in a position to really enhance what's begun in the public school system.

The American Camping Association is not in favor of the block grant program which has been proposed. We believe in many and perhaps most States there would be a tendency to utilize the funds through public entities, and since 95 percent of organized camping is done under private auspices, this would miss the majority of the low income children currently being served through organized camping.

There are 17 States that currently would be unable to serve nonpublic camps because of their own state restrictions, and we believe that the private sector has a strong and viable role in serving low income children, and there are approximately 600,000 children that would currently fall under that 17 State spread of not administering their own programs.

We also believe that there would be a great diversity in eligibility standards, nutritional guidelines, and assistance under the block grant plan. We feel that good nutrition does not vary from State to State and a child's nutritional needs are a national concern and should not be left up to 50 independent States.

We do feel that the program deserves a national standard and national administration.

The American Camping Association supports the value of the Summer Feeding Program and urges this committee to reauthorize its existence under the present system. We believe that organized camps are a valuable extension of the Child Nutrition Program during the rest of the year.

We believe that is an excellent demonstration of the cooperation of the public and private sector in serving needy children. Please make it possible for us to continue to do so.

Thank you.

Chairman **Perkins**. Thank you for your testimony this morning. It was excellent.

Now I want to address a question to the entire panel. I would like to ask you all how you feel about the impact of the block grant if these two programs, the Summer Feeding Program and the Child Care Food Program, were placed in a block grant.

As you know, this is being proposed and I'm asking you whether you feel that we should block grant these programs. I'll start with you and you can answer right across.

Ms. **Blank**. Well, I think you know what our response is. We would be very concerned. We think that it flies in the face of what is going on in the child care area. We've seen a revolution in the number of women, mothers with young children, in the work force. We've seen a threefold increase or more in the last 20 years; 41 percent of mothers of children under 1 now working. Fifty-seven percent of mothers of 3- to 5-year-olds are working. When more and more mothers are working and we also see more single parent families and more low income women working, two-thirds of working women have husbands who earn under $15,000, and we see one in six children growing up in a single parent household these women have to work. The average single parent household, the average woman, in 1981, earned less than $11,000, compared to almost $20,000 for a male headed household.

So, we obviously need child care to cap one of the key Federal supports, the second largest direct source of Federal support for child care being the Child Care Food Program. The only other direct program we have is a piece of the title 20 social services block grant. We have a very sad situation in child care, given the demand, and given the importance of good child care, not only to women, to help them work and be productive and pay taxes, and not to depend on welfare, but to children, that we hate to lose any single piece of it, and we would be stepping 110 steps backward if the block grant passes.

Chairman **Perkins**. Go ahead. Let me hear from you now.

Ms. **Chegwidden**. Well, the program I'm speaking to is not potentially a block grant, is it?

Chairman **Perkins**. No.

Ms. **Chegwidden**. The NET Program?

Chairman **Perkins**. It would eliminate it.

Ms. **Chegwidden**. Yes, I know. Well, you know how I feel about eliminating the greatest asset we have to helping children learn about what their bodies need, so that we can try to maintain health care costs at a reasonable—well, not reasonable, we're past that now, but at least potentially hold down health care costs.

Chairman **Perkins**. Could you go ahead with the answer? And then the next lady?

Ms. **Locke**. In speaking for the Child Care Food Program, block granting would mean that we would not be able to fund additional day care centers, family day care sites, and children who are additionally enrolled in these centers, at current levels. They would all be competing for one amount of funds.

So, new centers, centers that increase enrollments, new family day care homes that are developed, would all receive lower reimbursements because the pot of money would have to be split up in many more different ways.

Child Care Food Program would lose entitlement status and that no cost of living increases would be forth coming and as you well know, the cost of food certainly is not stabilizing and we don't expect it to remain at current levels throughout the years.

We did receive a call from our State agency before coming in and their request was, "If you mention anything, please tell them that we do not need block granting, because our efforts are cooperative, and we do a good job together." And there are children in 13 States in the Child Care Food Program who would not have it available if those States' programs are administered by the regional office.

Ms. BROKAW. There are currently 17 States which depend on the USDA to administer the Summer Food Service Program, either because—usually because those States have policies that do not allow them to administer it to the nonpublic school sector. Within those 17 States, there are currently 600,000 children that receive benefits of the Summer Food Program that would then not qualify.

Mr. COONEY. Mr. Chairman, I'd just like to add one note to this, but first I wanted to publicly thank both the members of the majority and the minority for their support of H.R. 4091. I know that on the minority side there was some reservation by some members and Mr. Goodling and the other members took it upon themselves to persuade people to publicly support that bill, and as a result, there was a vote on the House floor of 306-114. I know that publicly and in the press you will not see any recognition of the efforts of Mr. Packard, Mr. Gunderson, and Mr. Goodling on this point, but we in the advocacy community are aware of it, and I hasten to mention this because we're also aware that we're frequently critics of various proposals of the administration, and we do have some reservations about the block grant and the turnback provision, and I just wanted to let the committee know that we will be preparing a legal memo and distributing it to the committee next week on the issue of turnback. But in just essence, as Ms. Brokaw pointed out, there are 17 States that the regional office of USDA does administer the Summer Food Program. They administer the Child Care Food Program in nine States. What is not known, generally, is that USOA administers private schools in 11 other States that have the National School Lunch Program, the Residential Child Care Institution Programs, and the Special Milk Program.

We would lose, if USDA decides that they can't, that they don't want to administer the programs, and the State agencies decide that they either can't, by State constitution or by State statute or by State policy, you lose the—there are only two entities to which to give, you know, Catholic schools, Jewish schools, summer food sites, and child care sites, the money. You either have to have a Federal entity or a State entity.

Now, I have been having some conversations with both the majority and minority staffs on this issue and our research to date shows that of the 11 States where the National School Lunch Program is administered by USDA, there are 108,000 children in those schools and those States, 595 schools and institutions. Of the 11 States, 7 States have State constitutions which almost always repeat the phrase, "Public funds shall not be transferred to private institutions." I am unaware of any Federal case interpreting whether or not Federal funds can be passed through there. But there are three attorneys general's opinions on the issue and we have a copy of the attorneys general's opinions from South Carolina and Tennessee and we're getting the one from Virginia, and each of them indicate that, in fact, the South Carolina attorney general's opinion in 1968 indicated that they could, the State agency, could not sponsor the Summer Food Program. They were asked to take another look at that decision in 1978 to see whether they could administer the Nutrition Education and Training Program in private institutions, and they reaffirmed their earlier decision.

I raise these issues just to show you how complicated the issue might turn out to be. It's not a simple question of if we had to ask ourselves, is the State agency better to administer the program than USDA, I think we would tend generally to agree, that yes, the State agency should do it. But if you have a state constitution that you would have to amend in order to do that, you may want to take a second look to see whether or not something can be done there.

The other issues that I know the committee is going to be addressing, a number of different things, but the administration has requested a supplemental for this year of about $545 million for funding for child nutrition. You should be aware of the fact that that supplemental only covers expenses for the normal expenses of the program between July 10 and September 30. We all are aware of this issue of shortfall of about $315 million or $320 million due to a transfer of accounts a long time ago.

That supplemental of $545 million has no funds in it for this shortfall, so the committee may want, at some point, to take a look at that.

And in terms of the block grant, which is the initial question you asked, we have some reservations on that particular proposal because while it's an improvement over last year's, in the sense that they do give you current services money as opposed to taking a cut, in future years, when you lose the entitlement status for a program and you lose the food price inflation by fiscal 1987 the programs which you now get $443 million for you would get 20 percent lower funds for losing those two features of entitlement status or entitlement funding and raising the reimbursement rates for food price inflation.

So, by fiscal year 1987 you would have $80 million less in terms of funds and the camping folks would have to compete with the child care folks to see who has more political power at a local level. This is one of the reasons why that people who sometimes support block grants, like the National Association of Counties, have endorsed the concept of block grants. They all have resolutions, the National Governors' Association, the Conference of Mayors, and the National Association of Counties, on the issue of block grants as they relate to income security programs, and the reason is, as

Ms. Brokaw pointed out, that in these particular areas there is a value to having national nutritional standards, because the poor kid in one State has needs that do not differ radically from those in another. Thank you.

Mr. KILDEE. Mr. Packard.

Mr. PACKARD. Thank you, Mr. Chairman.

The program currently is at what level, the national commitment? Approximately $500 million, is that correct?

Mr. COONEY. For child care in summer?

Mr. PACKARD. No, for the——

Mr. COONEY. For the NET Program? I'm not sure which one you mean.

Mr. PACKARD. I thought that was for—that must have been the NET Program, I guess.

[Pause.]

Mr. PACKARD. Perhaps it was in the NET Program, where they were approximately at $5 million now and we were looking at $7½ million and you're asking for $10 million.

Ms. CHEGWIDDEN. Right.

Mr. PACKARD. That's it.

What percent of children under that program do you feel is being serviced that are eligible for it, at the current level?

Ms. CHEGWIDDEN. Well, the problem is the lack of effort put into it by some States, when they're only getting whatever it is. $50,000 is the minimum at this point, I think. And that is not enough to pay a coordinator, so they divide it up among whatever educational entities they have within the State. In Pennsylvania it happens to be intermediate units. And then it comes into the intermediate unit and it's hardly enough to do anything with.

So, it's just not providing for the ongoing effort. See, it potentially can affect children from kindergarten through 12th grade.

Mr. PACKARD. The only reason for the concern, of course, is that there's a call for a 100-percent increase over what the current levels are, and that at a time when there are budget constraints.

Ms. CHEGWIDDEN. Well, actually it's a 150-percent decrease from its original funding, so that's why we're looking at a little more than you are.

Mr. PACKARD. OK.

Ms. CHEGWIDDEN. To try to get back to a more effective level so that we can do the job that needs to be done.

Mr. PACKARD. Then on the camping program, that comes out of the Summer Feeding Program. What percent of the funds are made available for camping programs and what percent is normally retained in the traditional summer school or administered through the schools, or is all of the camp funding administered through the schools?

I'm not familiar just how the camps——

Mr. COONEY. There is a 1983 scope report that the Department of Agriculture is releasing imminently and they break down by sponsor what—they don't breakdown by funds. We can calculate that for you. They give you the number of children served by camps, how many served by schools, how many served by public sponsors like cities, and we can get that to your staff. But that scope report, I don't think, is released at the moment. The program is funded at 99. Last summer they spent $99 million.

I'm just not sure how much is for the camps.

Mr. **Packard**. I'm curious. Do the camps get the money directly from the government through application or do they go through the school system?

Mr. **Cooney**. They wouldn't go through the school system. They would get it from the State agency through the U.S. Department of Agriculture. However, in 17 States those camps do get it directly from USDA because USDA currently administers the programs.

Mr. **Packard**. I see. OK, thank you. No further questions.

Mr. **Kildee**. Mr. Hayes.

Mr. **Hayes**. This is a rather broadside question and I think that I must say that, as usual, we have witnessed some very good testimony in each of the areas which you all have attested to. My broadside question, though, am I correct in concluding that you are being hurt by the current budgetary cuts in each of your respective areas of operation, and two, you are in effect asking at least restoration in part of those budgetary cuts so you can continue an effective program which you used to give to children in the areas in which you work?

Mr. **Kildee**. Either one of you may answer.

Ms. **Locke**. I think I would have to answer yes, yes, and yes.

Mr. **Hayes**. Not all but part you want to say?

Ms. **Locke**. We're looking for restoration because cuts have been to the point that programs are hurt so much that many of them have closed. Children have not been cared for. Parents have not been able to work and this particular child nutrition program, the Child Care Food Program, is one of the basic supports of child care.

I am a parent that uses day care. I couldn't work if it were not available, at affordable price, and I think that the restorations that we need, I don't think we're asking for the moon. You know, sometimes I'm sure it seems like it. But these are cuts that have been made that have hurt children very deeply, and we need to see them restored so we can get back to effective quality levels of care.

Mr. **Hayes**. That's all, thanks.

Mr. **Kildee**. Mr. Gunderson.

Mr. **Gunderson**. Thank you, Mr. Chairman.

I've got about three questions here I guess, and I'm going to begin with Gwen. And I'm going to tell you, Gwen, that I always feel a little queasy when I sit up here and I hear a nutrition person testify in front of us because you're probably looking at one of America's junk food junkies, I always feel guilty when you people come before our committee.

Ms. **Chegwidden**. And healthy as can be. [Laughter.]

Mr. **Gunderson**. Thank you.

What I'd like you to do is trace for me how the NET Program would start at the Federal level and on to my next door neighbor, who happens to be a fourth grade elementary teacher. Can you trace the program from here down to her and describe exactly what she gets and what she uses through the NET Program?

Ms. **Chegwidden**. Well, it varies, of course, within the States and the activities that have already gone on, due to the original funding of NET. But the way it works is originally the States had an advisory council or advisory group made up of every segment of the educational area, plus nurses and just a very broad spectrum. And that created an atmosphere and an awareness of nutrition that had never happened.

All right, now from that group back to the school district and the community, through the PTA, the superintendents, because these were all represented on this advisory council and they all met with their groups. This was part of the thrust. So, it gets back to the school district, and this awareness begins to catch afire.

Then through the funding, materials were developed, training sessions were held with teachers and food service workers, and it was just a mushrooming thing. And then all of a sudden it's down to there's just no money to continue this awareness. And that's the biggest thing to me, is the awareness. Kids are bombarded by the media to consume low nutrient, high calorie, foods. And they need the opportunity to learn at school how to take care of their bodies in the most healthful way.

Mr. GUNDERSON. Could you or the Society for Nutrition Education provide us more detail? I don't want to be selfish. I'll suggest you do it for Mr. Kildee's district, our chairman. If you could just take, for example, this $5 million and say, "Michigan gets this much and then we go on down from there," and trace this so we could really see where the dollars go and what the net effect of those dollars is when they get to their local service delivery. It would be helpful to me to determine exactly the merit of the program and, in particular, what form it ought to take here at the Federal level. Could something be done like that?

Ms. CHEGWIDDEN. The society would be very happy to do that, I'm sure, and address it to you?

Mr. GUNDERSON. Well, we're going to share this. [Laughter.]

Mr. KILDEE. If you could get it to the subcommittee within 10 days, it will be made a part of the record of this hearing.

Ms. CHEGWIDDEN. Very good. Thank you.

Mr. GUNDERSON. That would be very helpful.

Mr. COONEY. Mr. Gunderson.

Mr. GUNDERSON. Yes.

Mr. COONEY. There is also a book available by Amanda Mellinger, who is the NET coordinator for the State of California, which does trace many of those things in a number of States, including all States who are members of the committee. But what maybe SNE can do for you is trace it back in terms of if you give them particularly the school district, for example, Flint, or in your area in Wisconsin, they can also do that.

Of course, in Michigan and Wisconsin, they have been in the forefront of some of these things, such as NET. So, it should not be difficult. But we can also get you the materials from other States.

Mr. GUNDERSON. That would be helpful.

Mr. KILDEE. I think any existing material to supplement these statements would be a good thing for the record.

Mr. GUNDERSON. OK. I think, Linda, you were the one that gave the testimony?

Ms. LOCKE. Yes.

Mr. GUNDERSON. I'd like to emphazise first of all that I'm a big supporter of child care. If I have one concern about child care it's that—you're lucky. As my sisters are lucky. They're able to get someone to take care of their children. I've got to figure out a way to get child care to my rural areas in Wisconsin. So any help you could give me on that, I'm all for.

I wanted to ask you about one statement you made in the last page of your testimony. The goal of the child care feeding program is to raise the nutritional quality of food served to children while they are in day care. This goal would be negated under means testing. I guess that concerned me because it sort of told me, "We will give nutrition if the Federal Government gives us the money but if they don't, we're not going to." I don't think that's what you meant. I was just wondering if you could elaborate as to exactly how you see the Federal funding affecting the nutrition program in the typical child care setting.

Ms. LOCKE. OK. Well, this particular statement which you're addressing is related to the provision of the Child Care Food Program benefits for family day care homes. A day care home, the setting is in someone's personal home. There are very few children there.

Means testing will make it not cost effective for a family day care provider to participate in the Child Care Food Program. The goal of the program is to provide the nutritional standards to children in day care. If the provider is not participating, the benefits are not there and, therefore, the goal is not reached.

Ms. BLANK. Let me just elaborate on that. The prime source of Federal money to family day care is the Child Care Food Program. Very few title 20 dollars go to family day care. Family day care providers, as Linda pointed out, cannot charge a lot because parents can't pay a lot. We have a real problem with day care workers earning so little and people wanting these women to earn more, and then we get into this crunch because we price day care out of the market.

If there is no food money to feed the children, the only way for the provider to provide the same level meal is for her to raise fees as much as, what, $2 or $3 a day. And if you're looking at her serving women or families who earn between $10, $20, even $30,000 a year, if you add $10 or $15 a week, on top of what they're already paying, they're not going to be able to keep their child in care.

The alternative is to keep fees and to tell the family to bring a bag lunch. So the children aren't eating the same kinds of food. What we're concerned about is not only that but, unfortunately, because of the little money we have in day care, the food money to the family day care provider has meant more than just the children, as Linda pointed out, are being fed well. It's meant that these family day care providers have come out from underground and re delivering better care because they're connected to a system and are legal.

One of the big problems is that so much of family day care is operated under the table or underground that you can't even get parents connected. You talk about the terrible shortage of child care, and it is just a real enormous problem in rural areas, even in urban areas, unless family day care providers are registered or licensed, parents can't get to them. And ironically it's been the food program that has been the single most important factor in encouraging them to become licensed or registered, because they can't participate. So, there's a whole set of ramifications involved in that, in addition to improved meals.

Mr. **Gunderson**. It sounds to me, Mr. Chairman, like we ought to get the Nutrition Education Training Program and the child care providers together so that we could get some nutrition education to these people in family day care.

Ms. **Locke**. Would you like to hear about our NEP grant that we have? [Laughter.]

Mr. **Gunderson**. I think my 5 minutes are up. Otherwise I would.

Thank you.

Mr. **Kildee**. Very good. Mr. Nielson.

Mr. **Nielson**. Unfortunately, I wasn't able to be here in time for the testimony. Sorry about that. I do have a question about the first witness, Ms. Locke. You are quite concerned and quite negative toward Senators Helms' means test bill.

Ms. **Locke**. That is correct.

Mr. **Nielson**. And my question to you, I guess, is this: Do you have any way to decide which of the parents are—which of the women are, for example, who are working, because they want to work and perhaps don't need a lot of money, and could afford a full payment of food, as opposed to those who are working from necessity, and cannot afford the extra? Do you have any way of doing that now?

Ms. **Locke**. You mean in directing funding in family day care?

Mr. **Nielson**. In day care systems, situations. Are there some families where the wife works, when she could fford to pay full cost for the food for her children, as compared with some who could not afford that? Do you have any kind of a way of determining that?

Ms. **Locke**. Well, I think one of the—in part of the testimony one of the percentages that we included was 70 percent of the children who participate in the food program in Louisville, Jefferson County, are from low-income families.

Mr. **Nielson**. My question, I guess, is how do you do it now? Does everybody have the same low price now? Everyone has the same price?

Ms. **Blank**. Everyone has the same price now. One of the problems is it's sort of throwing the baby out with the bath water, that if we're going to have to separate out in a system like family day care, most providers and sponsors and people in the field, we're afraid will lose the program altogether. And I guess what we're arguing is the $50 million that it costs is probably the majority of money that goes to family day care as a system, and if we look at how this country spends money, you know, we could give you examples of how $50 million is spent in other areas, we think it's a small price to pay, not only to support the children, because of the difficulty of separating out, but to support the providers who are low income women themselves. Eighty percent of the people who are providing care earn below the poverty level.

So, in a way, you're providing a support system to women who may otherwise have to be on welfare. And you're encouraging this whole system to come above ground. So, we understand the dilemma but what we're saying is it's a small price to pay, given the importance of family day care for caring for our children in this country, and given the demographics and the child care needs now, we're sort of pleading with the committee not to make a quick decision and cut out the major support we have to family day care, because we're not—we don't see if we could see more support going to child care as a whole in the near future, we would be more sanguine. But we, given the budget, we don't see major new programs coming on the books and we feel it's very important to preserve any dollar that goes into the child care system, because of the enormous need.

Mr. NIELSON. What you're basically saying is that there were some who probably don't need as much support to take care of their children, in terms of money, but most of them do and therefore, to serve the greater number without complications we'd better do it that way.

Ms. BLANK. Yes.

Mr. NIELSON. That's what you're saying.

Now, I also asked a question about the camp situation. I've been to camp a lot myself and I've had three boys who are eagle scouts and so on. Whenever we've had the boys or girls in camps we've always paid the full amount, contributed to the Boy Scouts organization. Some of that's contributed by the Boy Scouts. The rest is contributed by the family. How is it that the camping organization can't work that way directly from the parents and children who get the main benefit, and the organization that sponsors it? Why do you need Federal funds at all?

Ms. BROKAW. The only funds that are received are for those children of families who fall within that welfare budget line. We actually get documentation from every family in order for us to qualify.

Mr. NIELSON. So you do use means testing?

Ms. BROKAW. Yes.

Mr. NIELSON. Do you see any difference between what you have to do and what the day care has to do?

Ms. BROKAW. I think what I heard as the difference is that they are also providing work above board for a number of people who may otherwise child care underground, quote, unquote, or who may themselves be on welfare. So, it's really a two-pronged thing.

Ms. BLANK. And we are also talking about homes who are not in an institutional setting, where income verification would be extremely difficult. I'd also like to point out that we do provide child care support to all families through the dependent care tax credit on families earning—all families can take a maximum of a $960 tax credit. So, it's a $1.5 billion program and Congress has supported some sort of tax credit or deduction since 1954. So, if you look at $1.5 billion over there, it's pretty reasonable to send $50 million directly to family day care. We can see, actually, a lot more if we go look at family day care and the Child Care Food Program as to where that money goes than if we look at the tax credit. So, I think we need to put it in that perspective too.

Mr. NIELSON. Is there an alternative to having the Federal program or increasing it? Is there an alternative to getting more private support and increasing the United Way contribution?

Ms. BLANK. United Way spends about 5 percent of its money for child care and they do not expect to increase it in the near or far-term future. I think Linda testified that she got United Way money. What we hear all over the country is that for child care centers that weren't connected, or child care sponsors to a United Way Program, United Way did not help them make up the loss. You had to already have your foot in the door.

Mr. **Nielson**. So you're just the fortunate few, in a few cases?

Ms. **Blank**. Yes.

Mr. **Nielson**. Let me ask a quick question about the nutrition aspects. I didn't hear the testimony but I was intrigued by Mr. Gunderson's comments. Now, what are you trying to do in the nutrition area? Are you participating in the program to get better nutritional snacks and so on in the schools, and things of this nature? Are you involved in that part of the program? Gwen?

Are you involved in that at all?

Ms. **Chegwidden**. As a food service director, I was certainly involved in having no a la carte, practically, and having nothing but nutritional food available in—for lunch at the schools.

Mr. **Nielson**. What about the vending machines in the schools? Do you have any say or any influence on them at all, also?

Ms. **Chegwidden**. I think the program did, at the time it was fully funded. I think the awareness that the superintendent, principals, and so forth, brought to it. But now I see that eroding.

Mr. **Nielson**. Yes, we did in the last nutrition bill add some money to improve the nutrition of those meals, did we not?

Mr. **Cooney**. Yes. The breakfast program.

Ms. **Chegwidden**. Yes.

Mr. **Nielson**. Is that going to be helpful to you, not in terms of your program, NET Program, but in terms of the general improving of nutrition? Do you think that was a good step?

Ms. **Chegwidden**. I certainly think that any additional funding for the breakfast program is.

Mr. **Nielson**. Well, was some specifically set aside to improve the nutritional aspect?

Mr. **Cooney**. It was 6 cents, I believe, for the National School Breakfast Program. One of the findings of the national evaluation of school nutrition programs, which the U.S. Department of Agriculture did, it was a 4-year study, a $4 million cost, which had an advisory council of which SNE was a member of, and it concluded that the meal pattern and breakfast was sufficient and recommended that it be improved and the committee's action last session helped that substantially in terms of funding.

Mr. **Nielson**. Let me ask, Mr. Cooney, or Ms. Brokaw, the same question I asked Ms. Locke. And that is, couldn't the United Way or other private organizations increase their support for the camping program in order to improve your situation without necessarily increasing the Federal side?

Ms. **Brokaw**. It's extremely doubtful. With United Ways on the local level realigning their own priorities on an annual basis, it's very—our United Way would not do that for us.

Mr. **Cooney**. One of the original reasons for the National School Lunch Program was that during World War II we had many recruits who showed up that had nutritional deficiencies, particularly anemia. That was also true in the Boer War in South Africa, and one of the major reasons why England passed the School Meals Act, and Germany as well, so we think that it's important, and the

Summer Lunch Program is the same program, the same nutritional standards over the summer.

I spent the last, well, last Saturday, Sunday, Monday, and Tuesday, in Utah.

Mr. **Nielson**. That's my home State, by the way.

Mr. **Cooney**. Yes, I know.

I was out there and organized a group called "Crossroads: Utahans Against Hunger," connected with the Junior League.

Mr. **Nielson**. I'm familiar with that.

Mr. **Cooney**. Yes, they surround us all with different issues. My office as well as yours. But while I was there they released a report entitled, "Hunger in Utah," which is new and it hadn't been released publicly yet. The report was very interesting in the sense that it was, I thought, fairly objective. Its general presentation in its introduction indicated some of the concern that the President's task force on food assistance had, in other words, "We think there are hungry people but we need more documentation and more data," and so forth. So, it followed that general theme, which is certainly not a few that an advocacy group like mine would follow.

But the second part of the report was very specific in terms of its findings, in terms of all of the programs, and I just mention that because one of the interesting notes was the finding of the Latter Day Saints' Welfare Program, which you're familiar with, which other people may not be. It provides assistance to a number of different people in the Mormon Church.

But one of the interesting things that they have found is that while they have always provided assistance to transients, you know, folks coming through and so forth, they largely tended to be males. And what they're finding now is that they're finding young women with children, which they had some of before but it seems to be an increasing number. And that was one of the findings that some of the other studies had found, along with the fact of people running out of food stamps toward the end of the month.

So, I mention that as—that might be a good resource for you. It's new. It wasn't—there wasn t a press conference. We had a copy of it in advance. It's from the State department of social services and it had some very good data, and I have a copy.

Mr. **Nielson**. Would you be willing to submit that for the record?

Mr. **Cooney**. Oh, sure, I would. And I think you'll find it quite interesting.

[The information referred to follows:]

HUNGER AND ITS IMPACT IN UTAH

A REPORT PREPARED BY UTAH DEPARTMENT OF SOCIAL SERVICES, BUREAU OF POLICY PLANNING, IN CONJUNCTION WITH UNIVERSITY OF UTAH GRADUATE SCHOOL OF SOCIAL WORK

In late December, 1983, and January, 1984, the Department of Social Services, Bureau of Policy Planning began collecting information regarding the scope and nature of hunger in Utah. This information was collected by means of an informal survey in which various public and private agencies that provide nutritional assistance to individuals and families were contacted and interviewed. The intent was to determine what data they possess which might indicate the incidence of hunger in the state. For the purpose of this survey, hunger was defined as difficulty in obtaining nutritionally adequate amounts of food. The survey reveals that each agency has information relevant to hunger; however, each agency collects only that information perceived to be pertinent to its own interests. Consequently, the data available from agencies is not readily comparable and it is difficult to integrate these findings across agencies.

In compiling this information it became clear that little empirical data is available in Utah beyond information related to participation in various public and private assistance programs. Unfortunately, even that data is open to interpretation. In particular, it provides little information regarding individuals who need, but do not receive, nutritional assistance. Some may call these the "truly hungry" in Utah. What this information does provide, however, is evidence that there is a significant number of Utahns who use the nutritional subsidies provided by various agencies throughout the state. All of the respondents to the survey indicated that the vast majority of these recipients are in genuine need of food and other resources delivered.

Of ongoing debate is whether income levels are in any way indicative of nutritional need. This survey did not provide any direct correlations between these variables. It was noted, however, that almost all of the nutritional programs in the state (except the community kitchens that feed indigent transients and others) use income levels to determine eligibility. This indirect correlation is as close to resolving this issue as can be derived from this survey.

IDENTIFIED GROUPS AT RISK

In considering all of the information gathered during the survey, certain segments of the community are consistently mentioned as either being at risk of or currently experiencing hunger: aging adults living on small, fixed incomes and households headed by single women with limited incomes. It should be considered that membership in these two groups sometimes overlaps and the older, single woman is of particular concern to respondents in this survey. Another high risk group is identified through the Department of Health's W.I.C. (Women, Infants, and Children) Program. This program provides nutritional assistance to women and children (under age five) who are not only in the low income strata of society, but who are also at nutritionally-related risk of developing serious medical problems. In November, 1983, the WIC Program delivered nutritional assistance to over 21,000 persons in Utah - approximately 1.3% of the entire state population.

REAL AND PROJECTED TRENDS,

Hunger may be an increasing problem in Utah. Each agency interviewed reports that service demands on their agencies have increased over the past two years. Additionally, the following points were made:

--- Food pantries report that increased caseloads have resulted in their implementing more stringent referral and eligibility requirements to ensure that food is distributed to those most in need;
--- The Community Action Program recently opened its fifth food pantry in the Salt Lake City area due to increased need in the community - its first pantry is less than two years old;
--- A 300% caseload increase experienced by Utahns Against Hunger during the past one and one-half years has resulted in their recent move to larger facilities;
--- While participation in the Food Stamp Program has decreased since January, 1983, current participation is still 20% higher that January, 1982 figures,
--- LDS Social Welfare, Transient Office reports a decrease in services to single, transient men and an increase in cases involving single women with dependent children;
--- The federal W.I.C. Program is likely to implement a system of waiting lists for its lower priority participants in the near future due to increases in caseload levels.

Causes of this increased demand on nutritional assistance programs are not indicated by this informal survey. One major concern expressed, however, involves the recently-implemented "Retrospective Budgeting" requirement in determining eligibility for Food Stamp recipients. This federal procedure requires Food Stamp applications to be based on the applicant's income figures from two months prior to the time of application. Consequently, a household experiencing lost income through loss of employment would have to wait two months before becoming eligible for assistance from this program. Current estimates indicate that two hundred households are affected in this manner, each month, in Utah.

In order to gain a fuller and broader understanding of the phenomenon of hunger in Utah, several recomendations are suggested:

1. Target populations identified in this survey should be scientifically studied using standardized criteria regarding their ability to secure food;
2. Agencies providing nutritional assistance should be encouraged to gather and maintain standardized information about participants in their programs; and,
3. Responsibility for coordinating and standardizing this information should be assigned and/or accepted by some public or private agency committed to developing a better understanding of nutritional needs across the state.

The following information represents a discussion of the findings of the informal survey performed by the Department of Social Services, Bureau of Policy Planning in December, 1983, and January, 1984.

STATE AGENCIES PROVIDING INFORMATION & RESOURCES

FOOD STAMPS

In July, 1983, Food Stamps provided nutritional assistance to approximately 88,000 persons in Utah. This figure represents 5.5% of the entire state population. While this program has been operated in the state for quite some time, recent trends in the administration of this program seem to indicate that there is increasing concern for the nutritional assistance offered to participants by this program.

One recent administrative change in the administrative procedures of the Food Stamp program which affects participants in a way that may aggravate the incidence of hunger in the state is the recently implemented element of "Retrospective Budgeting." This procedure calls for the Office of Assistance Payments to use income figures of applicants from two months prior to the time of application in determining eligibility. This procedure appears to most adversely affect applicants who have recently experienced a job loss. Under this procedure, such an applicant must wait two months before receiving any Food Stamp benefits, even if the family has no other assets or resources for acquiring food. The following figures represent recent (November, 1983) trends in the Food Stamp Program in Utah:

Retrospective Budgeting*

Implemented for AFDC in September, 1982 - 40-50 households affected each month (estimated);
Implemented for Food Stamps in June, 1983 - 150 households affected each month (estimated).

*Households that had reductions in income of more than $300.

Increase in Food Stamp Payments Since January, 1982

JAN 1982 - 65,351 persons
JUN 1982 - 72,435 persons
JAN 1983 - 90,347 persons
JUN 1983 - 90,956 persons
NOV 1983 - 80,751 persons

While the use has decreased in recent months, the figures indicate that there are currently 20% more recipients than there were two years ago.

Food Stamp Denials

November, 1983, figures indicate that there were 1,656 applications for Food Stamps denied. These figures do not account for reasons for denial; however, this figure indicates that there were a significant number of people who unsuccessfully sought out nutritional assistance in the state.

WOMEN, INFANTS, AND CHILDREN

This federally sponsored program which provides nutritional assistance to pregnant women, mothers, and children provides assistance to those individuals who are both income eligible (living at or below 185% of the federally defined poverty level*) and stand some developmental risk if deprived essential nutritional components in their diet. Eligibility in this program is determined by the placement of applicants in prioritized risk categories, according to nutritionally related medical risk. The highest priority is given to those women, infants, and children who already exhibit nutritionally related medical problems (80% of participants in November, 1983). The other priority area is given to those applicants who are at risk of developing medical problems as a result of nutritional deprivation.

The U.S. Bureau of Labor Statistics estimates that there are approximately 90,000 women, infants, and children (under five years of age) living in Utah at or below the 185% of poverty level. There are no projections, however, to indicate what portion of these individuals are at nutritional risk. In November of 1983, there were 23,157 individuals approved for this program throughout the state. For unexplained reasons, only 21,343 of those who qualified actually participated in the program. It should be noted that participation in the program is dependent on the verification of reported income and that 75% of participants in November, 1983, were living at or below 125% of the federally defined poverty level. Most of the remaining 25% were not eligible for food stamp assistance, since that benefit is not available to those whose incomes exceed 130% of poverty level.

This agency reports that it has funds adequate to provide assistance to a caseload level of 22,902 individuals, based on the costs of the average food package provided to participants. After that level of participation is reached, it is likely that a system of waiting lists will be implemented, especially since increased federal funding is not likely. The waiting list system will require those applicants in the lowest priority category to wait until sufficient numbers of participants in the higher categories are no longer enrolled in the program before receiving assistance through the program. With the current high levels of participation in the program, this system is expected to be implemented in the near future.

AGING ADULTS

The Utah Department of Social Services, Division of Aging and Adult Services indicates that an estimated 10.1% of persons in Utah over age 60 were living at or below the federally defined poverty level in 1983. As an indicator of hunger, these figures should be combined with two studies conducted of older citizens in Utah, one conducted in 1970 and a follow-up study conducted in 1981. Each of these studies indicate that over 30% of

---

* O.M.B. Poverty Guidelines list the following maximum gross incomes:

Household Size	Gross Income	Household Size	Gross Income
1	$ 0 - 405	5	$ 0 - 965
2	0 - 545	6	0 - 1,105
3	0 - 685	7	0 - 1,245
4	0 - 825	8	0 - 1,385

the individuals surveyed stated that they did not have enough money to buy the foods they liked. Interestingly, the percentage of those responses increased from 31.8% in 1970 to 34.1% in 1981.

The indicators of hunger in the older population are affected by what percentage of income this age group spends on food. In 1980, the Bureau of Labor Statistics released findings of this information which were broken down into regional samples. Unfortunately, there were no figures attributed to Utah, but the information for the Western States Region indicates the following for persons over 60:

AVERAGE INCOME	AMOUNT SPENT ON FOOD	% OF INCOME
$ 6,959.00	$2,161.00	31%
9,688.00	2,816.00	29%
14,252.00	3,605.00	25%

These figures indicate that older persons with low incomes face spending larger portions of that income on food than do those older persons with higher incomes. When this information is accounted with the 10.1% poverty rate for older persons and the information which suggests that over 30% of older persons in Utah do not feel that they have enough money for food, it becomes clear that nutritional concerns are significant for Utah citizens over the age of 60.

ADVOCATE RESOURCES

UTAHNS AGAINST HUNGER

Perhaps the most established advocate group for persons facing nutritional deprivation, Utahns Against Hunger report that their efforts to assist people in securing needed resources have been met with increased caseloads in the past one and one-half years. This agency indicates that their caseloads have risen from approximately 40/month in the summer of 1982 to a current level of approximately 125/month - a 312% increase. It should be noted that these cases involve families and individuals who are in need of securing food and, for various reasons, are in circumstances which do not qualify them for public assistance or who receive assistance, but are still in need of additional food. The agency reports that they field an average of 400 phone calls per month from individuals who are simply seeking direction and for whom no formal case is opened.

During our interview, it was stressed that the overriding concern at the agency is for individuals and families for which there is absolutely no help available. It was indicated that this type of case is dramatically increasing in the agency, but there were no actual figures available regarding this increase.

COMMUNITY SERVICES COUNCIL

This agency is a community assistance program that provides a wide range of services to the community. One of the areas of service in which they are involved is that of providing resources to other agencies that provide direct nutritional assistance to participants. The Community Services Council provides food and other resources to eleven agencies in the community, though there is no data available on the amount or scope of this assistance in terms of its impact on the community.

The director of the agency, Lowell Bennion, expressed concern for the "undiscovered hungry" in the community, especially the aged, single women living alone in the community who exist on incomes of less than $300/month. While there are apparently no indicators of the number of these individuals, Dr. Bennion feels that they exist in significant numbers and are likely to remain undiscovered unless efforts are made reach them.

INDIGENT MEAL PROGRAMS

SALVATION ARMY

This agency provides a variety of community services in addition to providing free meals to indigent transients. The agency currently serves an average of 250 hot meals per day to indigents in its kitchen and estimates that there are approximately 120,000 meals served each year. Persons who desire meals at this facility usually face a forty-five minute to one hour wait before receiving those meals.

In addition to its hot meals program, the agency also provides limited assistance to families in crisis. In the case of family assistance, the agency provides help to families only once every six months. No figures were provided on the amount or scope of this type of assistance that the agency provides.

RESCUE MISSION OF SALT LAKE

This agency, an affiliate of a national group of missionary endeavors, provides three hot meals per day to transients. While the bulk of their commodities are donated from an active solicitation project, this agency receives a $1,400 monthly grant from the city. The agency reports that it provides transients with an average of 480 hot meals per day.

In addition to its hot meals program, the Rescue Mission also provides nutritional assistance to a variety of individuals and families in the area in the way of food boxes, clothing, etc. No figures on this type of assistance were provided.

EMERGENCY FOOD RESOURCES

COMMUNITY ACTION PROGRAM

This program operates five food pantries in the metropolitan Salt Lake City area. In 1983, three of the agency's pantries provided three-day, emergency food supplies to 1,762 households in the area with an average household size of 3.7 individuals (figures are not currently available for the fourth pantry and the fifth pantry just opened in January, 1984.)

The director of the Northwest CAP Food Pantry, Cathy Hoskins, has indicated that this agency is serving households who, even though receiving food stamps and other assistance, are in real need of additional nutritional assistance. One of the chief concerns of the agency is the ongoing need for supplies and lack of community awareness of the needs of food pantries. An additional concern is the inability of the agency to provide nutritionally balanced assistance, since the agency is dependent on whatever contributions are received.

LDS WELFARE SERVICES

The Church of Jesus Christ of Latter-Day Saints has a long history of providing nutritional and other assistance to its members in need. The LDS Church also operates a Transient Office through its Welfare Services agency which provides assistance to persons not affiliated with a local ward. Persons who seek assistance from the Transient Office are provided with help in finding employment, housing, etc. and are also given nutritional assistance until their plight is improved. Figures regarding this type of assistance are currently not available and will be included in this report when they become available.

Of particular note is the amount of assistance provided by the LDS Church through its individual stakes and wards is not readily available, although it is known to be significant. Since each bishop in each ward is given wide latitude to either secure assistance for members or coordinate that assistance with other members, it is not feasible to keep ongoing records of that sort of assistance.

In the course of this survey, Bishop Wilkinson of the Transient Office reported an apparent trend in persons seeking assistance through his agency. He reports that the incidence of single, transient men seeking assistance appears to be declining, while the incidence of single women with dependent children experiencing crisis appears to be increasing.

OTHER EMERGENCY FOOD RESOURCES

During the course of this survey, most of the private food pantries and agencies that provide nutritional assistance throughout the the state were contacted and interviewed. Most of these interviews produced similar views of the status of agencies providing food to hungry people throughout the state. A majority of the respondents in this study reported that they are seeing more people who are seeking emergency food packages as a result of either running out of Food Stamps, waiting on Food Stamps or having not received Food Stamps on time.

Another trend that was indicated during the course of the survey is that of agencies requiring "referrals" of applicants before providing any food resources. Discussions revealed that this new procedure (which is especially prevalent in Salt Lake County) is a direct response to pantries being overwhelmed with requests for assistance and their desire to ensure that their resources are going to those most in need.

Attachment A

The following agencies participated in the survey by providing information about their efforts in providing food assistance and related information:

BAPTIST CONCERN CENTER
61 "E" Street
Salt Lake City, Utah 84103
Phone: 363-5922

CROSSROADS URBAN CENTER
347 South 400 East
Salt Lake City, Utah 84111
Phone: 364-7765

DAVIS COUNTY DEPARTMENT OF HUMAN SERVICES
Davis County Courthouse
P. O. Box 685
Farmington, Utah 84025

MOUNTAINLANDS COMMUNITY ACTION PROGRAM
160 East Center Street
Provo, Utah 84601
Phone: 373-5510

NAACP
717 South 200 East
Salt Lake City, Utah 84111
Phone: 363-5771

OGDEN COMMUNITY ACTION AGENCY
2411 Kiesel Avenue
Ogden, Utah 84409
Phone: 399-9281

RESCUE MISSION OF OGDEN
P. O. Box 625
Ogden, Utah 84402
Phone: 621-4360

RESCUE MISSION OF SALT LAKE
463 South 400 West
Salt Lake City, Utah 84101
Phone: 355-1302

SALT LAKE COMMUNITY ACTION PROGRAM

Northwest CAP
1300 West 300 North
Salt Lake City, Utah 84106
Phone: 359-8741

South Salt Lake CAP
2475 South Main
Salt Lake City, Utah 84115
Phone: 486-8221

South County CAP
8446 Harrison Street
Salt Lake City, Utah 84047
Phone: 255-3516

Westside CAP
620 Goshen (1040 W. 7th S.)
Salt Lake City, Utah 84104
Phone: 595-0058

Magna CAP
3041 South 8560 West
Magna, Utah 84044
Phone: 250-6414

SALT LAKE COMMUNITY SVCS COUNCIL
2900 South Main
Salt Lake City, Utah
Phone: 486-2136

SALVATION ARMY - OGDEN
2615 Grant
Ogden, Utah 84402
Phone: 621-3580

SALVATION ARMY - SALT LAKE CITY
427 West 200 South
Salt Lake City, Utah 84101
Phone: 531-9677

SHARE AND CARE FOOD BANK
109 South Carbon Ave.
Price, Utah 84501
Phone: 637-9232

ST. ANNE'S CENTER
2763 Lincoln
Ogden, Utah 84401
Phone: 621-9346

ST. PAUL'S EPISCOPAL CHURCH
261 South 900 East
Salt Lake City, Utah 84102
Phone: 322-5869

SOCIO
3060 Lester Street
Salt Lake City, Utah 84120
Phone: 972-1027

UTAH DEPARTMENT OF HEALTH
Women, Infants, and Children Program
P. O. Box 2050
Salt Lake City, Utah 84110
Phone: 533-4086

UTAH DEPARTMENT OF SOCIAL SERVICES
150 West North Temple
Salt Lake City, Utah 84103

Bureau of Policy Planning
Phone :533-6114

Division of Aging
Phone: 533-6422

Office of Assistance Payments
Phone: 533-5077

UTAHNS AGAINST HUNGER
21 G Street
Salt Lake City, Utah 84103
Phone: 328-2561

The following agencies were not involved in the survey, but are known to provide nutritional assistance to individuals and families throughout the state:

DIXIE CARE AND SHARE
80 East 100 South
St. George, Utah 84770
Phone: 628-3661

INDIAN WALK-IN CENTER
120 West 1300 South
Salt Lake City, Utah 84101
Phone: 486-4877

ST. MARK'S CATHEDERAL
231 East 100 South
Salt Lake City, Utah 84111
Phone: 322-3400

ST. THERESE CATHOLIC CHURCH
112 South Allen Street
Midvale, Utah 84047
Phone: 566-6348

SHARE INC.
730 Panorama
Ogden, Utah 84403

SINGLE PARENT RESOURCE AND SUPPORT CENTER
6450 South 1040
West Jordan, Utah 84084

UTAH RURAL DEVELOPMENT CORPORATION
12 East Center Street
Midvale, Utah 84047
Phone: 566-1638

Mr. **Cooney**. But my general point is that there is this rise in terms of new folks, women with children, and we're seeing, in the Child Care Food Program, one of the things that assist these folks. And sure, there are some people that may have economic resources to pay for that. But the Child Care Food Program is so vitally important to the institution of child care generally that we feel one outweighs the other.

Mr. **Nielson**. Mr. Chairman, I wonder if I may ask a general question.

Mr. **Kildee**. Certainly. Go ahead.

Mr. **Nielson**. It will be of any of you.

What I hear when I go out to town meetings, and groups of this nature, are statements such as, "We have so many things like the Nutrition Program and various other programs, which the parents ought to do for themselves," and many of my people are concerned that we're taking away from parents responsibilities they ought to be doing themselves, by providing for them and making it easier for them to kind of pass that responsibility on to other organizations, the schools and day care centers and so on.

What answer can you give me to that? I mean, it's a charge that many people make who may not understand the situation. But I'm constantly facing that. Ron, you've had that comment, I'm sure, in your district too.

What answer do you—what can I say about that? Are we depriving the parents of their legitimate responsibilities?

Mr. **Hayes**. Would the gentleman yield just for a minute?

Mr. **Nielson**. Yes.

Mr. **Hayes**. I thought I might interject something. You excluded those parents who might not be, for budgetary reasons, able to.

Mr. **Nielson**. Well, this is just a general comment. I understand the ones who have the need—that's why I asked the question. Those who obviously do not have the means to do it, I understand completely there.

Mr. **Hayes**. Yes.

Mr. **Nielson**. But those who could and perhaps should is the question I have and are we depriving them of their responsibilities? Are we making them dependent when they shouldn't be dependent, I guess is the question.

Mr. **Hayes**. This is another avenue to get at the Senator Helms means test, though, isn't it?

Mr. **Nielson**. No; I'm just asking because I'm getting these kinds of comments and I just want to know what your response is. Give me some good answers.

Ms. **Blank**. I think we're helping parents. I mean, it's interesting if we look at other countries. I think we feel in child care that we're a little embarrassed. Every industrialized nation except America has a child care policy, where regardless of income they help parents meet their child care needs.

What's gone us, it concerns us as an organization that works for children, is that parents are working, either both parents are working, we have more single parents, and it's hard to do two jobs. I think we can't say; "You shouldn't work any more." Parents are working. We can't go backward. And you need help to raise your children. And there's nothing wrong with everybody sharing in helping parents do a good job of raising their children.

I'm a working mother and I'm asked to do 110 different things. It's challenging, it's exciting; but it's hard. I'm able to afford support and it's still hard. And if you look at the average working family, we are asking them to do superhuman tasks, and help will make it easier, not only easier for the parents, but for the children.

I'm a little concerned that we're not offering enough supports to families as we change our whole family structure and our work patterns, and that children are caught and we're doing families a service. You can't do everything. I don't think it's anything to be ashamed of. Other countries do it, like us, and we'll have better and stronger families as a result.

Ms. **Brokaw**. I'd like to make one comment and that is that we find, in our program, that it's our children who are educating the parents, and the organization I happen to work for works now with third generation welfare children. So, I think we fall more into the category that you see as really needing it.

But I think in general, with society, for whatever reasons of education and awareness, to hit the adult population, it's more difficult. Whereas if you hit that youth population that learns and is willing to transfer that back to the family, that's really where the education comes from, is through that child.

Ms. **Chegwidden**. There is so much misinformation out there in the area of nutrition. You can just read about more fad diets that are very ill-conceived nutritionally. And the adults grab onto those and I think if we can get this information to children and not let the adults be laying on them the kind of misinformation they're getting out of the media, then also to counteract the bombardment that the child gets himself in commercial advertising, for low nutrient foods, I think it's important that we continue.

I'd like to think that every parent was just totally interested in proper nutrition for their children and was executing it. I'd love to think that that was possible. I just don't think it is. There's too much other bad information out there.

Mr. **Cooney**. You're from Utah where everyone says that it's important to be self-reliant. And I am from Connecticut. I am a Connecticut yankee and many people in Connecticut feel the same way, and I am sure that folks in San Diego who maintain that they are the arsenal of defense, we hear a lot of things about, you know, self-reliance, and it is an important concept. But as I said before, I think it's important to have like nutritional standards, and the Federal Government has a role in terms of providing assistance to children, no matter where they are. We feel that it's so important that these things not be left to choice, because in the past when they have, the nutritional and health status of the children have not been as helpful as it is today.

Mr. **Nielson**. Thank you, Mr. Chairman.

Mr. **Kildee**. Thank you, Mr. Nielson.

Mr. **Nielson**. I'm sorry, she wants to say something.

Mr. **Kildee**. Go ahead, please.

Ms. **Locke**. I had a comment on your question. I think sometimes when we are asked those questions in meetings such as you are describing, it's very hard, you know, the point comes up: "Why not?"

But you find that today that children as a majority suffer from anemia, as young children, children 5 and below, and whether these are parental responsibilities or whatever, it still happens. And that is the goal, one of the goals, of the Child Care Food Program, School Lunch Program, Summer Food Program, is to make sure that these things don't happen.

Many parents don't have the education or the knowledge of nutrition to prevent them from happening, and I think that's one of the goals of this program.

Mr. NIELSON. In kind of response to Congressman Hayes, when I get these kinds of comments, and I do get them, particularly in my district, which is, as I say, a bastion of self-reliance, and when we had a disastrous flood last year, for example, it was the first time Utah ever had a disaster. And when all of the homes were wiped out they expected hundreds of people to come and be taken care of. And only four people showed up and they couldn't believe that most of them would work with neighbors and friends and not have to come, to have a special housing and so on, the team had arranged.

So, I do come from that area. My response is usually I want to do everything possible to help those who really need it. But those who can and should do it, I want to encourage them to do it on their own. That's the response I have made. And that's simplistic and I appreciate your response. It's helped me.

Thank you, Mr. Chairman. I think it's been a very excellent panel.

Mr. KILDEE. Thank you, Mr. Nielson. I would like to make a comment on the United Way. In my district right now, particularly in these difficult times, I find that the funds of the United Way are even more limited than those of the Federal Government.

In my district right now people who traditionally were contributors to the United Way, those who worked in the factories, are now, to a great extent, the recipients of United Way services. It's a great education for people who for years never thought they would ever, ever have to get out of their car and walk into a welfare office, some of whom now have had to stand in the welfare lines for a of couple years now. Many of my constituents are really baffled by this turn of events.

The Government does along with the private agencies, have a role. I think your point is good, that we should try to bring all together in some way to try to help people. But I know in my own district the United Way has fallen on difficult times itself.

Mr. Cooney, yesterday during consideration of this committee's recommendations to the Budget Committee, I offered an amendment which you had brought to my attention, to restore Summer Food Service Program eligibility to private nonprofit sponsors who prepare meals themselves, have their own kitchens. Could you tell us what types of agencies would be affected by that and what would the effect of that amendment be?

Mr. COONEY. Yes; I'm glad you raised it as a point. I had five points that I wanted to make and wasn't sure where I could sneak that one in. But also, Mr. Nielson had a comment on this issue yesterday and I thought there might have been—I was in the back of the room and I couldn't hear too well.

Mr. NIELSON. I misunderstood Mr. Kildee's intent.

Mr. COONEY. Right, because you were thinking of the private schools.

Mr. NIELSON. Yes; schools.

Mr. KILDEE. We clarified that subsequently.

Mr. NIELSON. I was wrong and Mr. Kildee pointed that out.

Mr. COONEY. But your point, had you raised another point which other people have raised, is what is the advantage of having private nonprofit sponsors? As people know, in the past there have been some problems with large sponsors who use vendors for the Summer Food Program. They didn't prepare the meals themselves. They used, you know, other businesses and so forth.

While it was particularly a problem in one part of the United States as opposed to the general population of providers, reconciliation did knock out these particular folks. But this particular amendment that was offered yesterday would benefit places like Boy's Clubs, Girl Scouts, and churches, which are now being called upon to assist people to serve meals. In other words, they are providing meals right now, but by law cannot provide the same meals to children in the Summer Food Program, because they're private and they're nonprofit.

So if this amendment is offered and favorably received by the committee when it has its markup, and it proceeds its merry way through the House and then over on the Senate side and becomes law, what you will see is that Boy's Clubs will be able to provide meals during the summer, to children in their neighborhoods.

Now, these are kids that come to these sites anyway. I mean, that's what kids do during the summer. They go to playgrounds and go to Boy's Clubs and so you're primarily talking about churches, Boy's Clubs, and Girl Scouts.

If you're a camp, if you're a private camp, you participate in the Summer Food Program. But if you're a Boy's Club and it's not the Boy's Club camp, you cannot. And this provision will allow that to happen, as long as they can self-prepare meals. And we think it's a helpful provision. It doesn't help, for example, the Community Action Agency in Illinois, or in Virginia where Representative Boucher is probably going to have some comments on this.

We were asked yesterday: "What about a community action agency or another kind of group that does not self-prepare their meals? Can they participate under this provision?" The answer is no, they cannot.

We think that's unfortunate but we view this provision as an ultimate in terms of modesty, yet would still help a large number of children. But it was also responsive to criticisms that people had in the past.

Mr. KILDEE. Thank you very much, Mr. Cooney.

Mr. Hayes, do you have any additional questions for the panel?

Mr. HAYES. I just wanted to raise one question. You are aware that in certain areas, and I'm just familiar with Chicago, that school lunch programs are up for private bidding in most instances, and then the bidder, the successful bidder, sometimes, in order to make a profit, does it at the expense of nutritional value for the School Lunch Program?

Mr. COONEY. We are aware of some weaknesses in that effort, and at the request and, frankly, as a response to the Reagan administration, and other comments that we've had: "Well, what can you do without Federal money? You know, you must be able to do some things." We got together with the American School Food Service Association and the superintendents organizations and some of the principals and published, thanks to Aetna Life Insurance Co., a book on how you can deal with—it's called "Doing More With Less," how you can deal with those practices to ensure that you maintain the quality of the school lunch yet save some money, and bidding practices came up as part of that, and we made some recommendations to people as to how they can deal with that.

But we are aware of some of those problems and we are working actively with the American School Food Service Association to solve some of those issues, and Gwen, being a key member of their Nutrition Subcommittee, I think, is quite aware of those things.

Mr. HAYES. There are some charges. I don't know how well substantiated they are, that in many of the disadvantaged and minority school areas the School Lunch Program was inferior to some of the other programs.

Mr. COONEY. Well, part of it has to do with the fact that you lost the Food Service Equipment Program a few years ago. When I was in Chicago last year there was an article in the paper that said that they were so short of equipment they had to stack up some of the meals.

Now, that's also a question of management and things need to be looked at. But I want to assure you that the overall quality of the School Lunch Program is something that we in the advocacy community are quite concerned about, as is true of the American School Food Service Association. As a professional organization they want to serve the highest quality low priced lunches. But budget cuts in terms of food service equipment and other things have had an adverse impact on them.

Ms. BLANK. Mr. Chairman, can I just, before we close, submit for the record a child care position paper prepared by the Child Care and Food Program Sponsors' Forum? It is entitled "The Condition of Child Care in the United States in 1984, the New Reality Versus the Old Status." It addresses the question of the means test.

Mr. KILDEE. Yes; that will be made part of the record.

[The information referred to follows:]

CHILD CARE POSITION PAPER

REVIEWING THE FOLLOWING ISSUES: THE CONDITION OF CHILD CARE IN THE UNITED STATES IN 1984—THE NEW REALITY VS. THE OLD STATUS AND A RESONSE TO SENATE BILL 1994'S PROPOSAL FOR ADDITIONAL CUTS IN THE CHILD CARE FOOD PROGRAM

CHILD CARE POSITION PAPER SUMMARY SHEET

There is a new reality and direction that family life and child rearing are taking in this country which Congress must recognize:

That 60% of American mothers are working with this number increasing by 1990.

That child care is used by working parents from all economic backgrounds, not just low-income families.

That the working parents of this country consider group child care to be beneficial for their children.

That working parents have real difficulty in finding acceptable child care.

That working parents feel that the federal government has a responsibility in establishig basic standards of child care for children of all socio-economic backgrounds—not just primarily children of low-income families

A powerful new constituency of working parents is forming in this country who are identifying child care as a major political priority of the 80's. They want child care that is: available, accessible, affordable, and imporoved in quality.

Family day care homes are the single largest source of cost effective child care for America's working parents.

The Child Care Food Program is the only federal program in existence which establishes nutritional standards for meals served preschool and school-age children in care. 700 sponsoring organizations administer the program for 76,700 family day care homes feeding 272,000 children.

Senate Bill 1994, introduced by Senator Jesse Helms, proposes the reinstatement of income eligibility criteria in The Child Care Food Program which would change the current single rate of reimbursement for family day care providers to various rates of reimbursement based on the income levels of the parents.

Senate Bill 1994, if passed, would cut the funding for The Child Care Food Program 45%. The proposed reduction in funding will detrimentally impact all children in the program, even those targeted by the bill for assistance—the children of low-income parents—through its negative impact on:

Working Parents.—The family day care homes on The Child Care Food Program serve primarily the low and middle income working parents of 272,000 children. The median income of these parents ($12,000 to $15,000) is lower than the national average (median $16,000). Lower child care costs are the primary reason these parents have selected family day care. The proposed 45% cut in funding will force family day care providers to raise their rates—thereby putting family day care beyond the financial reach of many working parents.

Family Day Care Providers.—Family day care providers are the most underpaid caregivers in the United States. Their average mean day care income of $2,614 is substantially below the poverty level. Their food costs are double those of Providers not on The Child Care Food Program, and the USDA reimbursement covers only about 35% of these food service costs. Family day care homes generally have a mixture of children from varying economic backgrounds. Providers do not use a sliding scale in setting rates, but generally charge a single fee to all parents which is dictated by the market in their area. Senate Bill 1994 will further reduce the low return family day care providers receive for their services. This will result in many of them discontinuing day care or significantly cutting back on the quality of their care.

Child Care Food Program Sponsors.—The number of CCFP sponsors increased 200% after the elimination of income eligiblity criteria in May 1980. These sponsors provide recruitment, training, monitoring and nutritional education to 76,700 family day care homes for the lowest administrative costs in the child care field—38% lower than child care centers on the CCFP. For sponsors, income eligibility criterial will create additional paperwork and problems with recruitment, confidentiality, and discrimination toward children. As a result, many sponsors will drop The Child Care Food Program or be reduced in size to the level where they have higher administrative costs with less economy of scale.

Further cuts in The Child Child Care Food Program are not warranted. The program received a reduction in funding of approximately 30% in FY 1982. If Senate Bill 1994 were passed, the result would be a cumulative cut in funding over the past three years of 75%. To further reduce this program would seriously affect the health and well-being of over 272,000 children of low and middle income working parents.

Therefore, The Sponsor's Forum recommends the following:

1. That any proposed legislation which detrimentally impacts on the availability, accessibility, affordability or quality of child care program—such as Senate Bill 1994—be rejected by Congress during this current legislative session.
2. That federal assistance for child care be recognized as a high priority, and that Congress support with direct and indirect aid legitimate programs that enhance the quality of this care.
3. That a well-articulated National Child Care Policy be established by Congress that would identify the country's child care needs and would create national program directives to meet them.

I. The Condition of Child Care in the United States in 1984—The New Reality vs. The Old Status

A. Introduction

The Congress of the United States faces a cricial task in the coming six months as it deliberates on the federal budget for FY 85. Legislators wiil be making significant decisions that will impact this nation—its economy and quality of life. On the positive side, however, there never has been a more appropriate or opportune time to reassess national priorities.

One priority that requires immediate and thorough reconsideration is that of child care with its impact on America's working parents. As most of use are aware, this past decade was revolutionary insofar as the care of children in this country was concerned. Women moved into the work force in unprecedented numbers, placing their children in care in non-relative homes and centers. This fact, coupled with other changes in the living situation of American families, created new pressures on children and their parents as well as new demends on our institutions.

In this important presidential election year, Congress must take a fresh look at all issues affecting children with child care high on the list. The current perception on the part of many legislators regarding working parents' child care needs must be replaced by a more accurate view of the new reality and direction that family life and child rearing are taking in this country.

B. The New Reality vs. The Old Status

1. Old Status—Most mothers were home taking care of their children. Even if mothers did work, it was only for a few hours a day while their children were in school.

New Reality—Most American mothers are not home caring for their children.

The percentage of mothers of children under 18 who are in the labor force has increased from 40% in 1970 to almost 60% in 1983.[1]

The percentage of married women with children under 6 who are in the labor force has increased from 30% to 50% from 1970 to 1983.[1]

The percentage of female-headed families has increased from 7% in 1960 to 19% in 1982.[1] Preliminary data indicates that the vast majority of these women are in the work force.

Most working mothers work full-time—70% of those with school-age children and approximately 62% of those with preschoolers work eight hour days.[2]

Projections are for the female labor-force participation rates to continue to increase during the 1980's, although at a slower pace than during the 70's.[3] The rate of increase is expected to be particularly high for women with children under three years of age.[4]

2. Old Status—That child care was used primarily be low-income parents or families on welfare.

New Reality—That child care is used by a majority of American mothers who come from a broad cross-section of socio-economic backgrounds.

The perception that child care is a poor person's issue is no longer valid. American mothers from all walks of life have moved into the work force because either they are the sole support for their children's economic needs or they are assisting their husbands in maintaining a desired economic standard. Initial data seems to indicate that 60% of the working mothers come predominantly from middle and low-income backgrounds with a such smaller percentage from high-income backgrounds.

Many working mothers have indicated that being employed contributes to an essential part of their personal identity and self-image—an important factor in these times which may contine to motivate American mothers to enter the labor market.

3. Old Status.—That it was more desirable for children to be cared for in their own homes. Child care was protective service for a minority of children who had developmental problems or came from inadequate homes.

New Reality.—That group care outside of the home is considered by parents to be beneficial for children educationally and developmentally.

---

[1] Data supplied by Elizabeth Waldman, Senior Economist, U.S. Bureau of Labor Statistics, Division of Employment and Unemployment.

[2] Data supplied by Elizabeth Waldman, Senior Economist, U.S. Bureau of Labor Statistics, Division of Employment and Unemployment.

[3] U.S. Bureau of Census, Statistical Abstract of the United States 1982–83, Table 73.

[4] Sheila Kamerman, Co-director National Study of Child Care Services funded by the Carnegie Foundation, "The Child Care Debate," Working Woman, November 1983.

A growing number of parents in this country seem to believe that their children benefit from group care. Tests indicate that children who are in day care are more at ease in unfamiliar situations, play better with their peers, do better on tests of intellectual and language development, and are superior in their knowledge of the social world.[5]

Whether children benefit by being cared for outside of their own home will take years and extensive research to determine. The current reality is, however, that parents seem to think that they do and are seeking out child care in ever increasing numbers.

4. Old Status.—That child care was easy for working parents to find.

New Reality.—That working parents have real difficulty in finding acceptable child care.

Sheila B. Kamerman, DSW, Professor of Social Policy and Planning at Columbia University School of Social Work indicates that in survey after survey which she has conducted in conjunction with The National Study of Child Care Services, working mothers continue to list finding acceptable child care as the single most important problem they face.

The surveys conducted by Kamerman showed that many working mothers have to organize complicated child care packages to include a variety of caregivers in a given day or work. It was not uncommon to find husbands and wives working different shifts in order to guarantee adequate care for their children. The end result was often a separate juggling act that impacted negatively on the well-being of the family unit.

5. Old Status.—That federal assistance for child care was primarily earmarked for children of low-income families.

New Reality.—That federal responsibility and assistance in establishing basic standards for child care must be provided for children of all socioeconomic backgrounds.

A powerful new constituency is forming in this country of working mothers and fathers who are identifying child care as a top political priority of the 80's. They will no longer accept the outmoded position that the federal government should assist only low-income families in establishing basic standards for child care.[6]

Working parents are calling for support from every level of government—federal, state, and local—and from the private sector as well. The rush is on to guarantee child care that is:

Available—by increasing the quantity of services.

Accessible—by expanding access to these services.

Affordable—by making a variety of services financially viable for all parents who need and want them.

Improved in quality—by enhancing the currently existing condition of child care.

C. Conclusion and Recommendations

Because 60% of American women are working, with the expectation that this percentage will increase particularly for children under three in the decade ahead, one of the top political prioriteis of the 80's will be child care. Working parents will be centering in on the federal government's responsibility to assist in guaranteeing basic standards of care for their children. Most Americans believe that the whole society has a stake in how children grow up and the kinds of adults they become—and thus how they are cared for when they are young. Congress must address this issue now.

In view of the urgency of the problem, The Sponsor's Forum makes the following recommendations:

1. That any proposed legislation for FY85 that detrimentally impacts on the availability, accessibility, affordability or quality of child care programs—such as Senate Bill 1994—be rejected by Congress during this current legislative session.

2. That federal assistance for child care be recognized as a high priority for the health and well-being of a large segment of American society—that of working parents and their children—and that Congress support with direct and indi-

---

[5] Alison Clark-Stewart, Associate Professor of Education and Behavioral Sciences, University of Chicago.

[6] Shelia Kamerman, Co-director National Study of Child Care Services funded by the Carnegie Foundation, "The Child Care Debate," *Working Woman*, November 1983.

rect aid legitimate programs whose purpose is to enhance the quality of child care.

3. That a well-articulated national Child Care Policy be established by Congress that would identify the country's child care needs and would create national program directives to meet them.

II. A Response to Senate Bill 1994's Proposal for Additional Cuts in The Child Care Food Program

A. Introduction

A key bill which has been introduced into the 1984 Senate legislative session by Senator Jesse Helms is Senate Bill 1994. This bill would amend the National School Lunch Act to reinstate income eligibility criteria for family or group day care homes participating in the Child Care Food Program. With these criteria, the family day care provider would receive varying rates of reimbursement for food according to the income level of the parents of the children in care, instead of the single rate she now receives. The two stated goals of Senate Bill 1994 are:

To realize a savings of $45 million out of the $100 million family day care home budget of The Child Care Food Program.

To better target federal funds to the poor.

The inference in Senate Bill 1994 is that there would be no detrimental effect on the availability, quality, or cost of care for children for the following reasons:

That the children of low-income parents would not be affected because the reimbursement for their participation is not being reduced.

That the children of middle and high-income parents would not be adversely affected because the decrease in reimbursement could affordably be made up by their parents who would pay the day care provider more for their care.

The truth of the matter is that even though the 45% reduction in funding will save money, it will be at the expense of all children regardless of the income levels of their parents and will negatively impact low-income children. This position paper will illustrate:

1. That the reinstatement of income eligibility criteria in Senate Bill 1994 will have a direct detrimental impact on all children participating in The Child Care Food Program, through its indirect, negative impact on:
   Working parents.
   Family day care providers.
   Child Care Food Program sponsors.
2. That further cuts are not warrnated given the degree of cuts already legislated into the Child Care Food Program in FY 1982, and that the goal of saving federal money should be realized in some other area of the budget that has not already suffered such serious reductions in funding.

B. Background on The Child Care Food Program

The family day care home portion of The Child Care Food Program was legislated as part of The Nutritional School Lunch Act in 1975. Its purpose is to provide food and nutrition assistance to the children of working parents who are being cared for in family day care homes. Its main components are:

A USDA funded reimbursement to family day care home providers who follow USDA nutritional guidelines in the preparation of meals.

Supervisory home assistance and monitoring.

Nutritional education and training.

At the present time, The Child Care Food Program has approximately 76,700 family day care homes serving 272,000 children with an average of 3.7 children per home. These providers are affiliated with approximately 700 non-profit sponsoring organizations nationwide.[7]

Even though—as Senator Helms point out in Senate Bill 1994—the Child Care Food Program is "one of the smaller programs within the Federal Government", its positive influence has a far-reaching effect on the field of child care for working parents. It is the only program of its kind in the United States which establishes a nutritional standard for meals fed to children in family day care homes. The program benefits:

Children—primarily from infancy to five years of age during the most important formative years of their growth and development.

---

[7] Beverly Walstrom, Deputy Director of the Child Nutrition Division. FNS, United States Department of Agriculture, Washington, DC.

Parents—who can concentrate on work knowing their children are well fed during the day. The CCFP reimbursement helps keep the parents' child-care costs within a reasonable range.

Day care providers—who receive financial and technical assistance which helps them improve the quality of their child care.

Employers—who have more productive employees with less child related absenteeism.

C. The Detrimental Effect of Income Eligibility Criteria on Working Parents

Senator Helms has stated in Senate Bill 1994 that the basic premise for the drastic 45% cut in funding proposed for the day care home portion of The Child Care Food Program is warranted since the program serves a large proportion of non-poor children. He bases this conclusion on the following information:

An OIG audit of Quality Child Care, a CCFP sponsor out of Mound, Minnesota which claimed that 71% of all children enrolled with Quality were from homes with income above 185% of the poverty level.

USDA estimates that 64% of enrolled children are from annual incomes above $18,315 for a four person household.

The statistics supplied from both of these sources seem questionable in comparision with existing data describing the backgrounds of the parents of children in family day care homes. This data which has been compiled within the last three years from a variety of sources gives a comprehensive profile of these working parents, their income levels, and their reasons for selecting day care homes.

1. Parent Demand for Family Day Care. All of the information in this section is taken from the National Day Care Home Study.

Family day care constitutes the most widely used form of day care in the United States in terms of families using non-relative care and number of children served.

More than half of the children enrolled are under six years of age.

The largest proportion of children placed by parents in family day care are under the age of three.

Family day care represents the most prevalent mode of care for the 5 million school age children of working parents between the ages of 6 and 13.

40% of the parents using family day care are single parent families—25% are divorced or separated; 15% are single.

According to a 1978 survey of 10,000 working women by *Family Circle* magazine, most mothers want federally subsidized, not federally controlled, day care where parents can pick the facility that suits their needs.[8]

2. Income Levels of Parents Using Family Day Care.

The families of children in family day care tend to be *smaller* and *poorer* than the national average.[9] The National Day Care Home Study prepared by the Department of Health and Human Services, conducted in 1981, stated that the income of parents using family day care ($12,000–$15,000) was lower than the national average (median $16,000). This information varies greatly from the USDA estimates included in Senate Bill 1994 stating that 64% of enrolled children in The Child Care Food Program were from incomes above $18,315 for a four person household.

Parents of children in sponsored family day care have lower average incomes than parents in unsponsored family day care.[9]

Studies show that day care is the fourth biggest item in many family budgets after taxes, housing, and food.[10]

Family day care costs constitute 6 to 8 percent of a family's gross income. Parents pay on the average $.60 an hour per child for care. For many parents, this expense can easily exceed $30 per week. From a parent's perspective, family day care, even though it is the cheapest of alternatives, is a costly endeavor.[9]

Generally, few parents can pay more than 10% of their total family income for the care of their children without making serious sacrifices.[11] Since the mean income of parents who choose family day care is $12,000 to $15,000, this places their maximum ability to pay at about $1,200 to $1,500 a year per child—an amount which will not support the wages needed for quality care without subsidization.

---

[8] "Leading Two Lives—Women at Home and Work," Newsweek Magazine, May 1980.

[9] "Family Day Care in the U.S. Final Report of the National Day Care Home Study," U.S. Department of Health and Human Services Publication Office of Human Development Services, September 1981.

[10] "Who Will Watch The Kids?—Working Parents Worry," U.S. News and World Report, June 20, 1983.

[11] Gwen Morgan, Chairperson of the Social Policy Committee of the Day Care Council of America, "Who Pays For Child Care?," *The Day Care Journal,* Vol. 1, Number 2, Fall, 1982.

3. Parent Reasons for Selecting Family Day Care.

Work is obviously the principal reason for needing child care. But parents' reasons for using family day care in particular are more varied:

More than half of the parents choose family day care because the costs are lower than center-based care.[9]

They are seeking the possiblity of special attention for their child.[9]

There is a strong tendency to prefer family day care for one-to-three year olds.[9]

Family day care provides a stable, warm, and stimulating environment which caters successfully to the developmental needs of children.[9]

In the National Day Care Home Study, parents were asked what the most important requirements were in selecting the family day care home in which they would leave their child. One major criteria was that their child's nutritional needs be met. At the time this study was compiled, the majority of parents surveyed had placed their children in non-Child Care Food Program day care homes. Food was the most often mentioned problem area with 14% of the parents indicating that caregivers sometimes serve inappropriate foods (e.g., junk food).

Moreover, the Abt Associates Study—"The Evaluation of The Child Care Food Program" found:

> quite clearly that the CCFP is meeting its goals of providing nutritious meals to children in day care in an attempt to improve their diets . . . the nutritional quality and the variety of food served are significantly better in participating day care facilities than in non-participating facilities.

4. Conclusion.

Family day care homes are the single largest group of caregivers providing child care for working parents in this country. The working parents who are placing their children in Child Care Food Program homes are primarily low and middle income parents. Lower child care costs are the primary reason that these parents have selected family day care. The drastic 45% cut in funding proposed in Senate Bill 1994 will force the family day care providers to raise their fees—fees which are helping to keep child care available and affordable. If Senate Bill 1994 is passed, the costs of child care will be increased for primarily low and middle income parents—a group which is least able to carry the brunt of this expense.

D. The Detrimental Effect of Income Eligibility Criteria on Family Day Care Providers

1. Profile of the Family Day Care Provider.

All of the data in this section's description of family day care providers comes from the national study, "Family Day Care in the United States" and "The Evaluation of The Child Care Food Program," conducted by Abt Associates.

Age and Marital Status—Licensed family day care providers tend to be women in their thirties to fifties. The older provider tends to be more experienced and less educated. If married, her husband will be less educated and likely to be unemployed. The younger provider tends to be better educated, married, and caring for her own children at home.

Household Income—The median annual household income for day care providers was just over $10,000.

Education—Although few family day care providers have college degrees, the majority have completed high school. However, approximately one-fifth have an eight grade education or less.

Enrollment—Day care providers who are note experienced, more educated, or better trained tend to enroll more children than their counterparts since parents are more significantly inclined to choose the former group.

2. The Cost of Family Day Care.

The National Day Care Home Study summarized the situation regarding family day care costs as follows:

> The burden of paying for child care is considerable for most parents, especially those with lower incomes who must work to make ends meet. Thus parents are lmited in their ability to provide adequate compensation to family day care providers. Since most providers care for only three or four children, it is impossible for them to derive adequate income for demanding work that may require 50 or more hours a week of their time.

Often a mother will relate the cost of child care to the salary she herself earns rather than the total family income. If it costs almost as much to keep a child in care as a woman can earn outside of her home, it may not pay her to work. This. women's salaries in the market place set an effective cap on the costs of child care. Even where day care is subsidized by the federal or state government, the resultant caregiver wage remains substantially below the minimum wage.

Day Care Provider Wages—Wages for personnel in center-based day care were significantly higher than family day care provider wages. Family day care providers earned an average yearly net income of $2,614, substantially below the Poverty Level.

The net average hourly wage for providers in sponsored day care homes was $1.92 an hour.

In 1977, 87% of all caregivers earned wages below the minimum wage; 94% had earnings below the poverty level, and 99% were below the low-income line.

Family Day Care Provider Food Service Costs—The Abt Study stated that the monthly food program cost per center was more than twice that of non-participating centers. The study then went on to report that food service costs in family day care were considerably higher than that of center-based care ($2.54 vs. $1.57 per lunch).

On the average, the CCFP reimbursement covered only 35% of food service costs in family day care homes.

3. Family Day Care Provider Parent Fee-Charging Practices.

There is a basic fallacy in income eligibility criteria which never has been adequately addressed. The unspoken premise in Senate Bill 1994 is that the family day care provider should be given a lower rate of reimbursement for middle and high income children because she is charging the parents of these children more for child care. Nothing could be farther from the truth.

Numerous informed surveys conducted by CCFP sponsors across the country give the following picture of actual provider fee practices:

Most family day care homes have a mix of children from varying socio-economic backgrounds.

Providers charge the same flat rate to each parent. This fee is predicated on the going market rate which providers estimate that the average parent can afford. There is very little differentiation in fees within a given city or county area. The family day care home fee is generally lower than center-based fees.

Family day care is offered in an intimate home setting. Day care providers and parents are often neighbors and friends. Providers avoid setting up sliding fee scales which would require the parents to share their income status with the provider. Instead, the provider charges an average fee which does not adequately reimburse her for operating costs, labor and food.

4. Conclusion.

Family day care providers are used by working parents more than any other non-relative caregiver. The preponderance of evidence indicates that they earn little from their caregiving—the average mean day care income of $2,614 falls substantially below the poverty level. They generally operate outside of the market mainstream but are often influenced strongly and adversely by it. Working salaries seem to set an effective cap on the fees which the day care provider can charge.

Family day care providers on The Child Care Food Program have more than double the food service costs of non-participating providers. However, the USDA reimbursement they receive only covers approximately 35% of their food service costs. They charge a single fee to all parents which is informally regulated by what the market can bear and which, at the same time, does not offer providers an adequate wage for their services. Senate Bill 1994 proposes to further reduce the money providers receive from The Child Care Food Program driving up child care costs for parents or lessening even further the already inadequate wages of family day care providers. Ultimately, it will be the children who suffer as the quality of their child care experience is seriously diminished.

E. The Detrimental Effect of Income Eligibility Criteria on Child Care Food Program Sponsors

The National Day Care Home Study, conducted by the U.S. Department of Health and Human Services in 1981 described in depth the value of day care systems which utilize "umbrella" sponsoring organizations which, in turn, facilitate the delivery of uality care to children. The following key facts from the study describe the assistance which Child Care Food Program sponsors offer family day care providers:

1. The Value of CCFP Sponsoring Organizations.

> Sponsoring organizations encourage the delivery of quality care, reduce the management burden on state and local governments, and facilitate day care funding.
>
> CCFP sponsors exert a tremendous influence on family day care and have provided a strong impetus for the development of needed family day care systems.
>
> Providers surveyed for this study indicated that the sponsoring organizations offering of The Child Care Food Program had helped them provide nutritious, high quality food in care. The sponsoring organizations had supported them in thinking through and planning meals with USDA nutritional guidelines in mind.
>
> A major responsibility of sponsoring organizations is caregiver recruitment. Provider turnover and system growth continually create a demand for new family day care homes. Sponsoring organizations make a considerable investment in staff time to insure that new caregivers can and will provide a high level of care.
>
> Another important function of CCFP sponsors is training providers to ensure that they offer quality care. The study found the providers received, on the average, five hours of training per month. Surveyed parents, when asked what they looked for in selecting a family day care home, listed experience with children first and the training of the provider second.

Sponsoring organizations enforce The Child Care Food Program requirement that participating homes must be licensed. This stipulation has had a two-fold effect: It has brought more day care homes into licensing, thereby bringing them into compliance with state and local day care requirements—and federal as well—if they serve federally subsidized children. And, licensing has provided an incentive to make these caregivers more visible and, therefore, more accessible to parents.[6] [9]

The National Day Care Home Study made five major recommendations regarding family day care. Three of the recommendations require the support and expansion of sponsoring organizations to accomplish:

> (1) Promote the growth of family day care supply to meet the increased demand, particularly in infant and toddler care. In order to assist sponsors in their outreach for homes offering care, the study recommended that federal reimbursement rates be set higher for children under two years of age.
>
> (2) Promote the development of day care systems which play an important role in ensuring quality by maintaining desirable enrollment levels, monitoring regulatory compliance, training caregivers, providing technical assistance to the caregiver, and offering a vehicle for parent involvement.
>
> (3) Increase the availability of caregiver training since training does make a difference in the kinds of experience and opportunities available to children. In reality, however, statistics show that very few day care providers have been trained. It is important to note that those that had received training were most likely to be in sponsored settings.

2. Lower Provider Participation vs. Higher Administrative Costs.

The Abt Study showed that The Child Care Food Program for family day care homes was meeting its goals of providing nutritious meals for children. It also stated:

> That the administrative costs in family day care homes were 38% lower than the administrative costs in center-based programs.
>
> That the limitation of income eligibility criteria for family day care homes in May 1980 brought an increase of 200% participation between June 1980 and March 1981.
>
> That larger sponsors benefit from economies of scale and have significantly lower administrative costs per home than the small sponsors ($18 vs. $39 per home per month).

Therefore, it would logically follow that the reinstatement of income eligibility criteria would result in a sharp reduction in provider participation which would, in turn, reduce the size of the sponsors to the level where they would have higher administrative costs and less economy of scale. Also, the reinstatement of income eligibility criteria would result in many sponsors dropping out of the Child Care Food Program at a time when there is an increasing need and demand for sponsored family day care home care. This can readily be seen by the 434 CCFP sponsors operating when income eligibility criteria were in effect before May 1980—as opposed to the 700 sponsors participating at the present time.

3. Administrative Problems for Sponsors.

> Paperwork Problems—Income eligibility criteria will require income certification documentation from 76,700 families annually. This process increases dra-

matically the level of paperwork for sponsors. Senate Bill 1994 makes no provision for increased administrative funding to cover this cost.

Recruitment Problems—Provider turnover mandates the replacement of homes to maintain the needed participation level required for a viable sponsorship. Since most providers have children from a broad cross section of socio-economic backgrounds, it will be very difficult to target potential recruitment areas. Also, it was proven from 1976 to 1980, when income eligibility was required for family day care providers on the CCFP, that providers receiving low reimbursements would not participate in a program which mandated higher food costs and then did not come close to covering these costs.

Confidentiality Problems—Confidentiality of parent income information is an extremely sensitive issue in an informal family day care home setting in which the provider and parents often are friends and live in the same neighborhood. Sponsors participating in the CCFP before May 1980 when income eligibility was a part of the program reported that two major factors limited program participation:

Low reimbursement to the provider;

Provider reluctance to gather income eligibility documentation from parents.

Discriminaton Problems—The most devastating effect of income eligiblity criteria would be in the possible discrimination to which a provider would be forced in order to maintain a high enough reimbursement to cover even a portion of her food costs. At a time when the demand from parents of all socio-economic levels is increasing for family day care, particularly infant and toddler care, providers would be compelled to shift their day care slots to low income children in order to obtain the subsidy they so desperately need in their low-paying profession.

4. Conclusion.

Child Care Food Program sponsoring organizations encourage the delivery of quality care, reduce the management burdens on state and local governments, and facilitate day care funding. They expect a tremendous influence on family day care homes by encouraging desirable enrollement levels, monitoring regulatory compliance, training caregivers, providing technical assistance to the providers, and offering a vehicle for parent involvement. For these services, sponsors charge the lowest administrative costs in the child care field.

The reinstatement of income eligibility criteria could bring about a sharp reduction in provider participation in the Child Care Food Program which would raise the level of administrative cost, decrease the economies of scale, and force many sponsors to drop out of the Child Care Food Program. Those sponsors that remain in the program will experience problems with: dramatically increased paperwork from income documentation, difficulties with recruitment of low income children, confidentiality complications involving providers who resist gathering income information from parents, and possible discrimination against middle and high income children in the offering of available slots for child care.

F. Further Costs in the Child Care Food Program Are Not Warranted

Further cuts are not warranted given the degree of cuts already legislated into the Child Care Food Program in FY 1982 by Public Law 97-35, which resulted in a total Child Care Food Program reduction in funding of approximately 30%. The cuts included:

A 10% economy of scale reduction in administrative reimbursements to CCFP sponsors. In reality, this cut amounted to approximately 23.5% because of the USDA interpretation of the reconciliation language.

An intended 10% cut in provider reimbursement by:

Reducing reimbursement from five meals to no more than two meals and one snack per child per day.

Allowing the family day care provider to claim her own children only if they were eligible for free or reduced price meals.

Reducing the reimbursement for children from 16 years to 12 years of age.

In reality, the effect of P.L. 97-35 on sponsors forced them to reduce their administratived costs, seek other funding sources, or operate at a loss according to the Abt Study. The study went on to say that the reduction in reimbursements to the family day care provider ranged from 25% in homes serving breakfast, lunch and two snacks with the provider not caring for her own children to 45% to 65% reduction in homes where the provider's own children were not income eligible.

1. Conclusion.

The net effect of the cuts legislated in The Child Care Food Program in 1982 was 30%. Now Senate Bill 1994 is proposing that an additional 45% cut in reimbursement to the family day care provider be passed. It has been proven that these providers have: average mean incomes under the Poverty Level, earn on the average a fee below the minimum hourly wage, and are the single largest group of non-relative caregivers in the country for middle and low income parents. If Senate Bill 1994 were passed, the results would be a cumulative cut in funding for the Child Care Food Program over the past three years of 75%.

The goal of saving federal money should be realized by reductions in some other area of the federal budget that has not already suffered such serious decreases in funding. This position paper has proven that the Child Care Food Program is a valuable program which offers important assistance to working parents and family day care providers. FY 82 reductions in funding were deep and cut into the "bone" of the program. To further reduce this program would seriously affect the health and well-being of over 270,000 children in this country. We ask that the Senate legislate no further cuts to this important program; and, that on the contrary, Congress seriously consider restoring funding to The Child Care Food Program.

Mr. COONEY. This paper was also in the response by the minority staff people to say, "Well, listen here's a serious issue. Come up with a paper." We promised them a paper. Of course, we promised them the paper in August and it's now March. But at least we are fulfilling that requirement. It's also something that the Senate folks have asked us for and we wanted to make sure that you had a copy of that.

Mr. KILDEE. Thank you. Mr. Nielson, do you have any further questions?

Mr. NIELSON. No questions.

Mr. KILDEE. Mr. Packard.

Mr. PACKARD. No questions.

Mr. KILDEE. I want to thank the panel for its excellent testimony. You mentioned what was discovered about nutrition as the result of physical examinations conducted during World War II and the Boer War. I've often thought that perhaps if we put the child nutrition budget in the Defense Department budget it wouldn't be the object of constant proposals to cut funding.

Mr. COONEY. The administration has proposed during previous years to cut the overseas Department of Defense School Lunch Program.

But those of you that wanted to follow the particular issue that does date back to the Boer War, there is an article in the Columbia Teacher's College manual that traces back to the late 1890's the beginning of not only the School Breakfast Program in this country but the school meals programs in England, France, and Germany, and we would be glad to make that available to staff.

Mr. KILDEE. Thank you very much.

Again, the record will remain open for 10 days for the purpose of receiving a response to your question, Mr. Gunderson, and for other purposes.

Ms. CHEGWIDDEN. Fine.

Mr. KILDEE. Thank you. We stand adjourned until Tuesday.

[Whereupon, at 11:20 a.m., March 7, 1984, the subcommittee recessed, until 9 a.m., Tuesday, March 13, 1984.]

HEARINGS ON A BILL TO MAKE PERMANENT CERTAIN CHILD NUTRITION PROGRAMS

TUESDAY, MARCH 13, 1984

House of Representatives,
Subcommittee on Elementary, Secondary,
and Vocational Education,
Committee on Education and Labor,
Washington, DC.

The subcommittee met, pursuant to call, at 9:40 a.m., in room 2175, Rayburn House Office Building, Hon. Carl D. Perkins (chairman of the subcommittee) presiding.

Members present: Representatives Perkins, Miller, Kildee, Boucher, Ackerman, Hayes, Goodling, Packard, Bartlett, and Nielson.

Staff present: John F. Jennings, majority counsel; Joleen Frederick, legislative assistant; and Mary Jane Fiske, Republican senior legislative associate.

Chairman. Perkins. The Subcommittee on Elementary, Secondary, and Vocational Education is conducting a hearing today on H.R. 7, a bill to extend five child nutrition programs which are set to expire. Those programs are the Summer Food Service Program, the Commodity Distribution Program, the Nutrition Education and Training [NET] Program, the Special Supplemental Foods Program for Women, Infants and Children [WIC], and funding for State administrative expenses.

We look forward to hearing the testimony of our distinguished witnesses. The subcommittee plans to mark up this bill, H.R. 7, tomorrow at 9:30 in room 2175.

The panel of witnesses this morning is Gene White, chair, Public Policy and Legislation Committee, American School Food Service Association, accompanied by Betty Bender, president, and Marshall Matz, counsel, American School Food Service Association. Come around.

Also Charles Hughes, chairman of the National Schools Committee, American Association of State, County, and Municipal Employees. You come around, too, Charles.

We'll get started now. We'll hear from you this morning first, Ms. White. We are glad to welcome you here again. Thank you very much for coming.

[Prepared statement of Gene White follows:]

PREPARED STATEMENT OF GENE WHITE, CHAIRMAN OF THE LEGISLATIVE AND PUBLIC POLICY COMMITTEE, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION

Mr. Chairman, Mr. Goodling, my name is Gene White, Chairman of the Legislative and Public Policy Committee. I am also the Director of Child Nutrition and Food Distribution Programs for California State Department of Education.

The American School Food Service Association (ASFSA) is pleased and honored to have this opportunity to share with the Committee our views on current issues facing the Child Nutriton Programs. It is an annual tradition we appreaciate.

The 1985 Budget sent to the Congress last month does not propose new budget cuts in child nutrition. We are extremely pleased that the Administration is not seeking some of the proposals that were rejected by the Congress last year or any other significant new proposals that would greatly reduce the funding for child nutrition. There are, however, a number of legislative proposals contained in the budget, as well as a number of legislative proposals pending on the calendar from last year, that require our attention—

1. ASFSA supports passage of H.R. 7, introduced by Chairman Carl Perkins, making permanent the several Child Nutrition Programs whose authorizations expire at the end of the current fiscal year. The Nutrition Education and Training Program, the Summer Food Service Program for Children, the Commodity Distribution Program, and the provision for State Administrative Expenses (SAE) expire on September 30, 1984. All other Child Nutrition Programs, including the School Lunch Program and the School Breakfast Program, already have been made permanent.

2. ASFSA supports passage of H.R. 4091 and S. 1913. Since 1980 the Child Nutrition Programs have been cut by approximately $1.5 billion. S. 1913 and H.R. 4091 would mitigate the harshness of these cuts by restoring approximately 10% of the cut or $150 million. The legislation would make a number of important changes. It would:

(a) Lower the cost of a reduced-price lunch to the children of working poor from 40¢ per meal to 25¢ per meal;

(b) Lower the cost of a reduced-price breakfast to the children of working poor from 30¢ per breakfast to 15¢ per breakfast; and

(c) Increase the funding the School Breakfast Programs to improve the nutritional quality consistent with the findings of the U.S. Department of Agriculture's National Evaulation of School Nutrition Programs, published in march, 1983.

Additionally, the legislation would provide benefits for the Child Care Food Program and private schools.

These changes are modest in nature and targeted specifically to those poor children participating in the free and reduced-price school lunch and breakfast programs.

When H.R. 4091 was being considered by the House last fall, the Administration pointed out that more than 70% of the benefits under the bill would go to families with incomes over 130% of the poverty line. It failed to point out that approximately 70%-80% of the benefits would go to families with incomes below 185% of the poverty line. The bill is intentionally targeted to benefit the working poor, and properly so. The budget cuts enacted as part of the Omnibus Reconciliation Act of 1981 have dramatically reduced participation in the reduced-price lunch category. The following chart represents some examples. The chart is not meant to represent a statistically sound national sample, but the examples are instructive.

SCHOOL LUNCH PARTICIPATION REDUCED PRICE CATEGORY

	October 1980	October 1983	Percent decline
Akron, OH	1,882	983	48
Memphis, TN	4,265	1,409	67
Raleigh, NC	2,708	1,966	27
Birmingham, AL	2,881	2,054	29
Albuquerque, NM	4,135	2,967	28
Cleveland, OH	2,366	1,841	22
Louisville, KY	5,332	4,147	22
Kansas City, MO	1,756	1,684	4
Fort Lauderdale, FL	5,960	5,250	12

In light of this decline we believe that H.R. 4091 is an extremely important piece of legislation.

3. ASFSA opposes a nutrition block grant as recommeded by the White House Task Force on Food Assistance. ASFSA believes that the federal government must retain primary responsibility for the child nutrition programs and that such programs should not be included in any block grant or otherwise turned back to the states.

Including child nutrition programs in a block grant to the states represents an abdication of federal responsibility which would result in many of these child nutrition services being terminated or drasticaly reduced. A child's need for a nutritionally adequate diet does not vary from state to state. If the child nutrition services are terminated under a block grant, a child living in a state with an adequate tax base would have a much greater chance of receiving a nutritionally adequate diet than a child growing up in a state with a poor tax base. ASFSA believes that child nutrition must have a uniform national guarantee through federal programs, for with a better diet goes a greater opportunity for children to learn, grow, and fulfill their potential.

ASFSA therefore, opposes repealing the Child Care Food Program and the Summer Feeding Program and replacing them with a general nutrition assistance grant for the same reasons. These programs are an extremely important part of the federal effort to protect the nutritional health and well-being of the nation's children.

4. ASFSA supports the strict regulation of competitive foods.

(a) Restrictions on the sale of foods sold in competition with the National School Lunch Program are vital to protect both the nutritional quality of the program as well as the financial integrity of the program. ASFSA supports legislation that would bar the sale of competitive foods on school premises from the beginning of the school day to 30 minutes after the last meal. As you know, the U.S. Court of Appeals for the District of Columbia recently held that the Secretary of Agriculture lacked the statutory authority to justify the current USDA regulations. We believe that situation should be remedied.

(b) Business Week magazine on January 30, 1984 reported "McDonalds says it is moving to stay abreast, if not ahead, of the domestic market * * * and looking at barely tapped distribution outlets such as schools * * *". If fast food restaurants are allowed to invade school campuses the revenue from food sales will inure to the benefit of corporate stockholders, not the school lunch program and the children it serves.

Current law allows the sale of competitive foods, found by the Secretary to be nutritionally satisfactory, only "if the proceeds from the sales of such foods will inure to the benefit of the schools or of organizations of students approved by the school." We urge the Congress to require strict enforcement of this important provision of the law and to make clear that it requires all proceeds to inure to the benefit of schools or of organizations of students approved by the schools.

5. ASFSA opposes termination of the Nutrition Education and Training Program (NET), and supports the original concept of 50 cents per child per year for the purpose of nutrition education for students and ongoing training for food service personnel.

6. ASFSA opposes eliminating the requirement that USDA directly adminster the Child Nutrition Programs. Ideally State Agencies should administer their programs. However, several states have laws, policies or even constitutional provisions which prohibit the State Educational Agency from administering non-school programs. Currently, the USDA administers the Child Nutrition Program and Special Milk Program in private schools in thirteen states; the Child Care Food Program in nine states and the Summer Food Service Program for children in seventeen states. If Congress permits the USDA to withdraw from the administration of Child Nutrition Programs, mass termination may occur in states which are unable or unwilling to change state laws.

7. ASFSA opposes indexing of the reimbursement rate for the reduced-price meals. In recent years the cost for the reduced-price lunch has increased from 10¢ to 40¢. Results of the National Evaluation of School Nutrition Program have shown a direct relationship between participation and meal price. ASFSA, therefore, opposes such price increases in the reduced-price meal categories.

8. ASFSA urges the Congress to undertake a feasibility study or pilot project or various methods of operating a self-financing school lunch program for all children.

During the final meeting of the White House Task Force of Food Assistance, Dr. George Graham, a commission member re-surfaced the idea that the National School Lunch Program would better serve all children if it were a universal program. He then went on to propose funding the program by including the value of the lunch served as taxable income.

Last year, Congressman George Miller introduced legislsation that would have reduced the current 100% tax deduction on business lunches and entertainment expanse to 70% and used the revenue for child nutrition. It was estimated that this legislation would have generated $1.2 Billion in new revenue to the U.S. Treasury. If you combine Dr. George Graham's suggestion with Congressman Miller's proposal, you can raise over 90% of the funds needed to financial the Universal School Lunch Program. And if the universal program is only extended to elementary schools it would not be necessary to lower the tax deduction on business luncheons and entertainment expenses to 70%. Sufficient revenue could be raised by lowering the deduction at apaproximately 80%.

The declaration of policy in the National School Lunch Act has not been amended since it was enacted some 37 years ago. Since that time a number of significant changes have been made. Most importantly was the change enacted in 1971 providing additional, or special federal assistance, in order to provide free and reduced price meals to poor children. It was a change that ASFSA strongly supports.

With enactment of the free and reduced price lunch program the mission of the National School Lunch Program was enlarged from a health and nutrition program to include an income security component. Concomitantly there has been an increase in verification requirement, an increase in documentation requirements and less sensitivity to protecting poor children from overt identification and discrimination. In short, the National School Lunch Program is currently facing something of an "identity crisis". Is it a welfare program, or is it a nutrition program for all children?

A universal school lunch program for all children would get schools out of the costly and burdensome business of having to document and verify the income of families participating in the programs. These activities are better left to the experts at IRS. Second, it would refocus the program on its initial goal of providing nutritious meals to all children throughout the nation who wish to participate in the program—regardless of income. Third, it would eliminate all problems associated with identification of poor children and discrimination.

Mr. Chairman, we have been aware of the advantages of a universal free school lunch program for many years. We have not, however, explored the various options that may be available for financing such a program. We therefore request that Congress undertake a pilot project or at least a feasibility study to ascertain the various methods of operating a self-financing school lunch program for all children.

Thank you very much Mr. Chairman, Members of the Committee for the opportunity to provide information on our Child Nutrition Programs. We are ready to answer any questions that you may have. Thank you very much for permitting us to testify.

STATEMENT OF A PANEL OF WITNESSES CONSISTING OF GENE WHITE, CHAIR, PUBLIC POLICY AND LEGISLATION COMMITTEE, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION, AND DIRECTOR OF CHILD NUTRITION AND FOOD DISTRIBUTION PROGRAMS FOR CALIFORNIA STATE DEPARTMENT OF EDUCATION, ACCOMPANIED BY BETTY BENDER, PRESIDENT, AND MARSHALL MATZ, COUNSEL, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION; AND MARY FILKO, MEMBER OF THE PUBLIC POLICY AND LEGISLATION COMMITTEE, FROM AKRON, OH

Ms. WHITE. Good morning, Mr. Chairman, and thank you.

Chairman PERKINS. You may want to pull your mike up. There are so many people and the doors are open. Just go ahead and talk so everybody can hear.

Ms. WHITE. Mr. Chairman, our opening comments will be made by Betty Bender, president of the American School Food Service Association. Then I will give you our prepared statement.

Ms. BENDER. Mr. Chairman, we appreciate the opportunity to present our prepared statement to you. Ms. Gene White, as chairman of our Public Policy and Legislation Committee, has the full endorsement of the association's position on these issues.

We have with us also Mary Filko from Akron, OH, a member of the Public Policy and Legislative Committee. She will add to the testimony which Gene White is going to submit.

Gene, as our legislative chairman, has the full endorsement of the association on the particular issues which we wish to present today. So, Gene, thank you.

Ms. WHITE. Thank you. Mr. Chairman, Mr. Goodling, my name is Gene White, chairman of the Legislative and Public Policy Committee, American School Food Service Association. I am also the director of Child Nutrition and Food Distribution Programs for the California State Department of Education.

The American School Food Service Association is once again pleased and, indeed, honored to appear before you and to bring to your attention our concerns for the nutritional well-being of the children of the Nation. You do provide this annual tradition and we most sincerely do appreciate it.

The 1985 budget which has been sent to the Congress does not propose any additional cuts for child nutrition and, of course, we are most appreciative of that. We are, however, looking at several legislative changes that do need to be made and these are the ones that we will address this morning.

Now we do have a prepared statement that we have submitted for the record and rather than taking your time to read through your whole statement, if agreeable with you, I will just highlight some of the provisions.

In your opening comments you did mention H.R. 7. Of course, you know, the association does strongly support that legislation because it would continue to authorize several programs that we feel are extremely important and you identified them. Each of them is very important.

I guess one we would like to highlight is the Nutrition Education and Training Program because each year there has been an attempt, through the budget process, to eliminate that program. We do feel that the modest $5 million that has been provided should certainly be continued and, of course, our position is to restore the funding to the original level of 50 cents per child.

We believe that nutrition education is a very important part of the total Food Service Program and, as such, should certainly be continued. We do have supportive information to show that it is not only educationally important, but it is cost effective.

In terms of the subsidy provisions of H.R. 4091, we know that that legislation has passed by a very impressive vote of 3 to 1 in the House. We attribute this to your strong and effective leadership and, again, we do appreciate that.

We thought it might be helpful and, perhaps, reassuring, Mr. Chairman, to tell you that we do have additional information that further supports the provisions of H.R. 4091, and specifically this is in the area of providing assistance for the reduced-priced meals. As you know, in that legislation it would then be possible to reduce the price of the lunch from 40 cents to 25 cents for the reduced-price child and the breakfast would be reduced from 30 to 15 cents and we would be able to increase the nutritional content by adding a few more pennies back, probably in the area of added protein.

We are finding this year as we have in the past that the escalation in price of the reduced-price meals is, indeed, resulting in the dropping of many children from the families of the working poor from the reduced-price program.

If you could refer to page 3 of our testimony, you would find there a table which we have provided which is a sampling of some of the changes in participation in selected major city schools throughout the nation. As you know, Mary Filko on my right is here prepared to address the situation in Akron, OH, if you so desire.

But let me call your attention now to the schools. For example, we are comparing October 1980 with October 1983. We are showing a decrease of 48 percent in the reduced-price participation. Memphis, TN, down 67 percent. Raleigh, NC, down 27 percent. Birmingham, AL, down 29 percent. Alburquerque, NM, down 28 percent. Cleveland, OH, down 22 percent. Kansas City, MO, down 4 percent. Fort Lauderdale, FL, down 12 percent.

Now some of the variance in the decline is, of course, due to the economy and the amount of unemployment in that area. In my own State of California, statewide, the reduced-price participation is down by 30 percent. So by providing this information, we just want to assure you that what you have in your legislation we feel is right on target. We feel this further verifies the need that you so ably have addressed in the legislation.

Now, this morning we would like to do two things. One is to present the supportive data which has just been done. The second is to highlight a couple of provisions that we feel should be added, if at all possible to the current legislation and process. The one are

The one area is in competitive foods and the other area addresses a pilot study or a feasibility study to look at the possibility of developing some sort of self-financing provision for a universal-type program, making food service nutritionally adequate meals available to all children.

In terms of the first recommendation that we have on competitive foods, again, if you could refer to the testimony on page 4, item 4. I would like to reference that in detail by reading that section of the testimony. The American School Food Service Association supports the strict regulation of competitive foods. Their restrictions on the sale of food sold in competition with the National School Lunch Program are vital to protect both the nutritional quality of the program as well as the financial integrity of the program.

ASFSA supports legislation that would bar the sale of competitive foods on school premises from the beginning of the school day to 30 minutes after the last lunch. As you know, Mr. Chairman, the Court of Appeals for the District of Columbia recently held that the Secretary of Agriculture lacked the statutory authority to justify the current USDA regulations. We believe that situation should be remedied in the legislation that's pending.

Now point 2 of that issue would be this: "Business Week" magazine on January reported, and I am quoting, "McDonalds says it is moving to stay abreast, if not ahead, of the domestic market and looking at barely tapped distribution outlets such as our schools."

Now we believe that if fast food restaurants are allowed to invade the school campuses, the revenue from sales will inure to the benefit of corporate stockholders, not the School Lunch Program and the children that it is designed to serve. Current law allows the sale of competitive foods found by the Secretary to be nutritionally satisfactory only if the proceeds from the sale of such foods will inure to the benefit of the schools or of any organization of students approved by the schools.

We urge the Congress to require strict enforcement of this important provision of the law and to make clear that it requires all proceeds to inure to the benefit of the schools or of the organizations of students approved by the schools. So we would hope that that could be addressed as a matter of law.

The second recommendation for an amendment would be on page 6 of the testimony, item 8. This relates to the pilot study just referenced. Again, reading from the text, ASFSA urges the Congress to undertake a feasibility study or a pilot project on various methods of operating a self-financing school lunch program for all children.

During the final meeting of the White House Task Force on Food Assistance, Dr. George Graham, a commission member, resurfaced the idea that the National School Lunch Program would better serve the needs of all children if it were, indeed, a universal program. He then went on to propose funding the program by including the value of the lunch served as taxable income.

Last year Congressman George Miller introduced legislation that would have reduced the current 100 percent tax deduction on business lunches and entertainment expense to 70 percent and used the revenue for child nutrition. It was estimated that this legislation would have generated $1.2 billion in new revenue to the U.S. Treasury. If you combine Dr. George Graham's suggestion with that of Congressman George Miller's proposal, it would be possible to raise over approximately 90 percent of the funds needed to finance the Universal School Lunch Program. And if the Universal Program was only extended to elementary schools, it would, of course, be necessary to have a lesser deduction, perhaps at the 70-percent level.

The declaration of policy in the National School Lunch Act has not been amended since it was enacted some 37 years ago. Since that time a number of significant changes have been made. Most importantly was the change enacted in 1971 providing additional or special Federal assistance in order to provide free and reduced-price meals to the Nation's poor children. It was a change that ASFSA strongly supported.

With enactment of the Free and Reduced Price Lunch Program, the mission of the National School Lunch Program was enlarged from a health and nutrition program to include an income security component. Concomitantly, there has been an increase in the verification requirement, an increase in documentation requirements and less sensitivity to protecting poor children from overt identification and discrimination. In short, the School Lunch Program is currently facing something of an identity crisis. Is it a welfare program or is it a nutritional program for all children?

A universal school lunch program for all children would get schools out of the costly and burdensome business of having to document and verify the income of each family participating in the program. The activities are better left to the experts at IRS.

Second, it would refocus the program on its initial goal of providing nutritious meals to all children throughout the Nation who wish to participate in the program regardless of income. Third, it would eliminate all problems associated with identification of poor children and discrimination.

Mr. Chairman, we have been aware of the advantages of a universal free school lunch program for many years. We have not, however, explored the various options that may be available for financing such a program. We, therefore, request that Congress undertake a pilot project or at least a feasibility study to ascertain the various methods that might be available of operating a self-financing school lunch program for all children.

Thank you very much, Mr. Chairman, members of the committee, for providing us this opportunity to talk with you about this today. We did have an opportunity yesterday to report on this same set of concerns in the Senate before the Senate Agriculture Committee. We hope that they, too, would consider such amendments.

Thank you very much.

Chairman Perkins. Thank you very much, Ms. White.

Mr. Hughes.

[Prepared statement of Charles Hughes follows:]

Prepared Statement of Charles Hughes, Chairperson, American Federation of State, County and Municipal Employees, AFL-CIO, School Employee Advisory Committee and President of Local 372, Board of Education Employees, District Council 37, New York City

Good morning, Mr. Chairman and members of the Subcommittee.

I speak to you as the Chairperson of the School Employees Advisory Committee of AFSCME, AFL-CIO, representing 40,000 members who work in child nutrition programs in the majority of the states.

I also appear before you at the President of Local 372, Board of Education Employees, District Council 37, New York City. My members, more than 6,000 School Food Service members, work in the largest school feeding program in the nation. We are proud of the contribution we are making to the success of this major child nutrition program in the country's largest city.

I would like to thank you, Mr. Chairman, and the members of this Subcommittee for your long standing commitment to these programs over the years.

My remarks will be brief.

Let me say first that AFSCME strongly supports the provisions of H.R. 7.

As provided in the bill, authorization would be made permanent for five crucial programs: the Womens, Infant and Children Program (WIC); the Summer Food Service Program; and Commodity Distribution Program; the Nutrition Education and Training Program and State Administrative Expenses.

Each of these programs has demonstrated its value and worth to the children of our land and to the agencies the bear responsibility for their administration. Contrary to the continuing misguided philosophy of the Reagan Administration, they merit permanent authorization.

We urge the Committee to categorically reject the Administration's recommendation that reauthorization for the WIC, Commodity Distribution, and State Administrative Expenses programs be limited to a period of one year. I would hope that by denying this recommendation, the Congress would be sending the Administration a clear and loud signal that it opposes any tampering with these programs. And unless it deliberately turn off its hearing aid, it would get the message.

By the same token, we would ask the Committee to cast aside the Administration's proposal to consolidate the Summer Food Service and Child Care Programs into a Non-School Program Grant to the states. Combining them into a block grant would seriously undermine the intent and effectiveness of each one of them. It would relinquish the role of the Federal government in assuring the nutritional health of our nation's children. These child nutrition services would run the risk of being terminated or drastically reduced. The fact is that if the Administration's proposal is adopted, it will produce the all-too-familiar result of reductions in federal support and denial of benefits to otherwise eligible children.

Mr. Chairman, I know that you and the members of the Committee appreciate the importance of providing some measure of Federal support to states in assisting them in meeting the cost of the National education and training program. The small amount allocated for this purpose which is vital to the ultimate development of the soundest child nutritional programs possible should not only be authorized on a permanent basis but should also be fully funded. This modest investment in the well-being of children should not be abandoned by the Federal government.

I would also like to take a moment to lend our support to H.R. 4091 and S. 1913. These bills would make a modest restoration of $150 million to the child nutrition programs by, among other things, reducing the cost of reduced-price lunches and breakfasts. These provisions will benefit those who have been hurt the most by the cuts in the child nutrition programs, the working poor.

Before concluding my remarks, I think the Committee would appreciate hearing our experiences in New York City in attempting to implement the income verification requirement in the School Lunch and Breakfast Programs.

Nearly ninety percent of the more than 500,000 children in our program are eligible for free or reduced-price lunch and breakfast.

The members of my Local are working closely with our Board of Education in our efforts to comply with the verification requirement. It has proven impossible to complete the minimum of 3,000 verifications by March 1st. New York City has requested an extension of the deadline as, I understand, so have other large cities.

One of the greatest difficulties we face arises from the well known fact that the poor and the near-poor are difficult to reach because of high mobility which is enforced upon them. If you don't have the money to pay your rent, out you go. The process' stated purpose is to determine cases of fraud and abuse. It is, we submit, an unnecessarily costly expenditure of time and money with an end result of dubious cost-effectiveness. In New York City, the incidence of fraud and abuse is minimal. The fact of the matter is that the imposition of this process on the poor and the near poor is intimidating and confusing, and will have an extremely detrimental affect on the program and the children it serves. AFSCME requests that the Subcommittee give serious consideration to the elimination of this requirement.

Along these lines, we believe one way to reduce the burdensome responsibility for verification is to support a univeral school feeding program. All children could participate, regardless of income. We support a feasibility study of this approach.

Thank you, Mr. Chairman for the opportunity to testify before you this morning.

STATEMENT OF CHARLES HUGHES, CHAIRPERSON, AFSCME SCHOOL EMPLOYEE ADVISORY COMMITTEE, AND PRESIDENT OF LOCAL 372, BOARD OF EDUCATION EMPLOYEES, DISTRICT COUNCIL 37, NEW YORK CITY

Mr. HUGHES. Good morning, Mr. Chairman, and the honorable members of the this committee. My name is Charles Hughes and I speak to you as the chairperson of the School Employees Advisory Committee of the American Federation of State, County and Municipal Employees, AFL-CIO, representing 40,000 members who work in child nutrition programs in the majority of the States.

I also appear before you as the president of local 372, Board of Education Employees, District Council 37, New York City. My members, more than 6,000 school food service members, work in the largest school feeding program in the Nation. We are proud of the contributions we are making to the success of this major Child Nutrition Program in the country's largest city.

I would like to thank you, Mr. Chairman and the members of this subcommittee, for your longstanding commitment to these programs over the years. My remarks will be brief. Let me say first that AFSCME strongly supports the provisions of H.R. 7 and at this moment, Mr. Chairman, I would like to read from a letter that was sent to Congressman Gary Ackerman from Congressman Steve Solarz as it relates to the equipment. It states:

This amendment would provide $15 million to schools, including private and parochial ones, to allow them to bring their kitchens up to standard or to replace obsolete or broken equipment that would hinder their ability to participate in the federally aided school lunch program. This small grant and aid program was eliminated during the hasty consideration of the Omnibus Reconciliation Act in 1981. Without these funds, many schools serving low and moderate income children have been forced to drop out of the school lunch program since they lack the small amounts of resources needed to bring their food service and equipment up to federal standards.

Now back to my testimony. As provided in the bill, authorization would be made permanent for five crucial programs: The Women, Infant and Children Program [WIC], the Summer Food Service Program, the Commodity Distribution Program, the Nutrition Education and Training Program, and State Administrative Expenses. Each of these programs has demonstrated its value and worth to the children of our land and to the agencies that bear responsibility for their administration.

Contrary to the continuing misguided philosophy of the Reagan administration, they merit permanent authorization. We urge the committee to categorically reject the administration's recommendation that reauthorization for the WIC, Commodity Distribution and State Administrative Expenses Program be limited to a period of 1 year. I would hope that by denying this recommendation the Congress would be sending the administration a clear and loud signal that it opposes any tampering with these programs. Unless it deliberately turns off its hearing aid, it should get the message.

By the same token, we would ask the committee to cast aside the administration's proposal to consolidate the Summer Food Service and Child Care Programs into a nonschool program grant to the States. Combining them into a block grant would seriously undermine the intent and the effectiveness of each one of them. It would relinquish the role of the Federal Government in assuring the nutritional health of our Nation's children.

These child nutrition services would run the risk of being terminated or drastically reduced. The fact is that if the administration proposal is adopted, it would produce the all-too-familiar result of reduction in Federal support and denial of benefits to otherwise eligible children.

Mr. Chairman, I know that you and the members of the committee appreciate the importance of providing some measure of Federal support to States in assisting them in meeting the costs of nutrition education and training programs. The small amount allocated for this purpose which is vital to the ultimate development of the soundest Child Nutrition Program possible should not only be authorized on a permanent basis but should also be fully funded. This modest investment in the well-being of children should not be abandoned by the Federal Government.

I would also like to take a moment to lend our support to H.R. 4091 and S. 1913. These bills would make a modest restoration of $150 million to the child nutrition programs, by, among other things, reducing the cost of reduced-price lunches and breakfasts. These provisions will benefit those who have been hurt the most by the cuts in the child nutrition programs, the working poor.

Our membership has already been affected by these reductions. The 3 million lunches that have been cut out of the school lunch programs have meant the loss of thousands of jobs nationwide—

jobs held mostly by women, the ones who have been denied the right to have justice and job security in this great land of plenty. We believe that H.R. 4091 and S. 1913 will somewhat alleviate the threat of further job loss.

Before concluding my remarks, I think the committee would appreciate hearing our experience in New York City in attempting to implement the income verification requirements in the school lunch and breakfast programs.

Nearly 90 percent of the more than 500,000 children in our program are eligible for free or reduced-price lunch and breakfast.

The members of my local are working closely with the board of education in our efforts to comply with the verification requirement. It has proven impossible to complete the minimum of 3,000 verifications by March 1. New York City has requested an extension of the deadline as, I understand, so have other large cities.

One of the greatest difficulties we face arises from the well-known fact that the poor and the near poor are difficult to reach because of high mobility which is enforced upon them. If you don't have the money to pay your rent, out you go. The process' stated purpose is to determine cases of fraud and abuse. It is, we submit, an unnecessarily costly expenditure of time and money with an end result of dubious cost-effectiveness. In New York City, the incidence of fraud and abuse is minimal. According to an administration official who addressed the American Food Service Association yesterday, they have no problems with the School Lunch Program.

The question is, why then, I ask, are we immersed in this complicated and time-consuming process? The fact of the matter is that the imposition of this process on the poor and the near-poor is intimidating and confusing. It will have an extremely detrimental effect on the program and the children it serves. AFSCME requests that the subcommittee give serious consideration to the elimination of this requirement.

Along these lines, we believe one way to reduce burdensome responsibility for verification is to support a Universal School Feeding Program. All children should participate regardless of income. We support a feasibility study of this approach.

Thank you, Mr. Chairman, for the opportunity to testify before you and your honorable committee this morning.

Chairman PERKINS. Let me ask all of you, the administration only wants a 1-year extension of all of these programs and wants the Summer and the Child Care Program block granted; assuming that were to happen and considering all of the cutbacks you have had in the last few years, would that bring about much more instability at the State and local level or would it help your program? Go ahead and answer it.

Ms. WHITE. Mr. Chairman, as one who would like to speak to that point, first on the block granting. We would oppose a block grant because we feel that child nutrition is a nationwide issue and should remain a Federal responsibility with strong support from State and local agencies. But we do believe that child nutrition is a nationwide issue and that the child who eventually lives in a low-income State should have the same opportunities for nutritional meals as a child from a more affluent State. So we oppose a block grant.

Your second question about 1-year authorization, in my judgment, that would be a disaster; I do not believe it is possible to effectively outreach a program and administer it when it operates from year to year. I think that would be a very, very difficult things for all of the States of the Nation.

Chairman PERKINS. Mr. Hughes.

Mr. HUGHES. Mr. Chairman, this union believes very strongly that hunger is a national responsibility. It brings to mind the Statue of Liberty that sits in the harbor of the city of New York which basically says, "Bring us your tired and your hungry." So, therefore, we feel that the Congress of the United States of America has a responsibility to feed its people.

I see joining us this morning the Honorable Congressman from Chicago, IL, Mr. Charles Hayes, who, when he was running for office, stated emphatically that we should feed the people. I said to him when he made that statement that when he came to Congress that he would be joining people like yourself and Mr. Goodling and others to fight the good fight to feed the people. Because during that statement we saw the sight of a man who stood on the Sea of Galilee and who took five loaves of bread and fed a multitude.

Therefore, those who believe in the King James version can also believe that this country which was built on that tradition should feed its hungry, that this Government has a responsibility to feed its hungry. We have found that whenever you block grant something, then the national implication is lost in that kind of translation.

Chairman PERKINS. Thank you for an excellent statement, Mr. Hughes, and you, too, Ms. White.

Now let me ask both of you, in 1981 the Congress repealed the authority to appropriate funds to purchase equipment for lunchrooms. Should we now restore that authority, and is equipment in local lunchrooms deteriorating due to all these budget cuts of the last few years? Do you care to comment on it first, Ms. White?

Ms. WHITE. Thank you, Mr. Chairman. I'm sure others would like to address it, too. I do believe there is a need for equipment assistance funding. We were finding, for example, in my State of California, that it was not an adequate appropriation, even when we had the funding.

In terms of looking at priorities, I would hope that if this is, indeed, to be a priority of the committee, that this would be an additional augmentation to the existing bill, as it's priced out.

Chairman PERKINS. Mr. Hughes.

Mr. HUGHES. We have found in New York City, and the reason we would like to have the $15 million restored to the program, that the stoves are blowing up in many of those kitchens. Many days hot food is not available to be served because the equipment is old and obsolete, and we believe that the restoration, as small as it might be, for equipment, is very important so that we will be able to serve the kind of nutritious and compatible meals that are necessary.

If you'll recall, there was a great deal of concern about plate waste at one point, and we believe without the proper equipment we are going to have to go back to that mean end vicious cycle of kids dumping food in the garbage cans.

Chaiman **Perkins**. Mr. Goodling.

Mr. **Goodling**. Thank you, Mr. Chairman.

First of all, I would think that the 1-year reauthorization idea is not very well thought through. I would be opposed to any such kind of program, simply because it doesn't really give you much opportunity to plan and do the kind of job that you should be doing because you know that it will reoccur year after year.

On the other hand, I have a real problem with oversight committee permanently reauthorizing. My hope would be that I could get the chairman to compromise and perhaps get a 4-year program or something of that nature. I think that for an oversight committee to say that we're permanently reauthorizing could be misconstrued as "We're not really going to pay too much attention as to how well the program is working," and so I would hope that somewhere we could come along with a compromise and indicate that the administration's program is poorly thought out and perhaps come up with an alternative method.

Let me also say what this is the first time, I think, in my 10 years where we talk about universal feeding and at the same time also talk about how it might be paid for. I think that's an indication of maturity, perhaps, on both sides. I'm not sure. [Laughter.]

But let me then just ask one other question. First of all, do you have a serious problem with, for instance, a 4-year reauthorization program idea for all these programs?

Ms. **Bender**. I think that that would certainly give us opportunity to organize ourselves, and it would give planning time, which is what we need if we're going to have an effective program.

Naturally, we would like to see the program as ongoing, but needs do change and our climate does change. But a 4-year authorization would be a tremendous help.

Mr. **Goodling**. One other question or one other comment I might make. Last year, as you remember, I was pushing the idea that we do something about the shortfall of last year, but it fell on deaf ears, both in committee and with the public. Now I believe we are up to about $321 million. I realize you didn't have to testify about that today, but I didn't see any mention of that shortfall and, yet, I understand that this year it is a concern. Would anyone, either Mr. Hughes or Ms. Bender, like to comment?

Ms. **Bender**. Yesterday when the administration was speaking they said they had submitted their request for the shortfall.

Mr. **Goodling**. A supplemental?

Ms. **Bender**. Yes, a supplemental request or a supplemental appropriation. So at this particular point we have not addressed that subject.

Mr. **Goodling**. That will be a change if someone finally submits a supplemental. I don't quite understand why that hasn't happened in the 10 years that I have been here.

Ms. **White**. Mr. Goodling, we might also comment that as you look at the funding for the programs, the shortfall has been one concern but also the carrying over deficit has been a second concern. We would hope that both of those concerns could be addressed in terms of the funding needs for the program.

Mr. **Goodling**. Mr. Hughes, any comment on that?

Mr. **Hughes**. I concur with the two previous speakers, Mr. Goodling.

Mr. **Goodling**. Thank you. I have no further questions, Mr. Chairman.

Chairman **Perkins**. Mr. Kildee.

Mr **Kildee**. Thank you, Mr. Chairman.

I would like to ask all of you this question. In carrying out the new regulations requiring verification of applications for the free and reduced-price meals, are you finding that many children are being disqualified and how much is this costing us in administrative costs? Could all of you comment on that, based on your various experiences?

Ms. **White**. We are, indeed, concerned about the two points you mentioned—the cost of verification and the fact that children are being disqualified. Of course, as you know, this is the first of the verification requirement so we are really just beginning to get meaningful data.

The thing we are hearing in practically all cases where there are substantial number of children to be verified is that many families are not returning the required information to support the verification. As a result, many children are being dropped from the program——

Mr. **Kildee**. Who otherwise would be qualified, but because of the——

Ms. **White** [continuing]. Because they are not responding, the assumption is that they—well, they are disqualified. You have to respond back to be verified. By way of data, I can quote one statistic from the Los Angeles Unified School District, which is, of course, as you know, one of the largest programs in the Nation. Out of the 3,000 applications that they verified something like 1,200 children as of this month have now been bumped off of the program. In most of those cases, they are simply eliminated because the families have not been able to respond back.

Now in this case the verification information was sent out in several languages, but even so, it's complex, it's difficult to understand and we believe that there are barriers of that kind that are making it difficult, if not impossible, for families to respond and the child then is being bumped off.

Now in terms of the cost of verification, here again, we are going to get hard data, we hope, quite soon. In California it appears that an average cost might be somewhere between $20 and $30 for each verified application and that is a conservative figure. Of course, as you know, this is a new mandated requirement on the school districts. There is no funding for this and the cost of verification is really coming off of the plate of the child.

Mr. **Kildee**. When you do get that hard figure, if you could supply it for the committee, I would appreciate that very much.

Ms. **White**. We would be pleased to do that.

Mr. **Kildee**. Would anyone else care to comment?

Mr. **Hughes** We like to point out that in the city of New York we have quite a few different kinds of people—Russians, Puerto Ricans, Hispanic, Latin country folks, all kinds of people—who have gotten frightened of that form. In addition, the Food Research and Action Center have done some studies and they have found that you have to have at least a junior school, or 11th grade rather, level of education in order to read the form.

So we are talking about people who were born before my time and I can speak to the fact that my mother is a domestic and when she sent me to school, I came back and tried to teach her how to read and write. I am sure that some of the parents that are in this category today who are looking at this form cannot read and write. They are intimidated by that form and that is why the drop has taken place. That is why the kids are being disenfranchised for a decent meal in the school system.

We believe that this verification form has increased the workload and no one is giving additional money to carry on this responsibility. The school districts in the city of New York are drawing from other funds in order to try to meet these requirements at the expense of some other kind of quality educational program in that great city. So we are very concerned about the verification. I think that this union, along with many of you, said when these regulations were being talked about that they would disallow a lot of people from participating in that program. We urge you to take a strong look at eliminating that kind of provision from the regulations.

Mr. **Kildee**. Would anyone else care to comment on that?

Ms. **Filko**. Mr. Kildee, my name is Mary Filko and I am from the Akron public school system in Ohio. We have found in our verification process that there is a great deal of mobility amongst the people that we have asked to fill out some of these forms. We, too, have had problems getting information back. We have sent them out in different ways. We have tried to send them through the U.S. mail. We have also tried to send them through the children. Quite often they don't get home or the mail returns them to us saying, "address unknown." For those people their children then are not continued in the program. We give them a period of time which is what we are supposed to do and then after that they are then taken off the program and those children can no longer participate.

So I think this idea is one that we, too, want to support—not taking money and feeding children who should not be fed. But penalizing those who should be getting meals is just unacceptable.

Ms. **Bender**. Mr. Kildee, I did some quick numbers because we have just finished our verification process. My district is Dayton, OH. We verified 855 applications this year and it cost me $19,295. We ran into some serious problems halfway through the verification system in that we had a mother pull a knife on the ladies that were doing the verification and we had the added cost of security. We did have some very irate mothers and fathers.

In addition to that, we have been trying to do a followup, and I don't have those numbers complete yet, on the people who did not respond. We are finding that the greatest problem is that, first of all, they don't understand. Their reading, their literacy level is not—they just simply do not understand. The second major problem, I find, on the verification for us has been that people do not understand the difference between gross and net when we have had to make a change—gross and net income. They look at what their dollar is on there at this level. Those were major problems which we found in our area.

Mr. **Kildee**. How did you arrive at that figure of $19,000?

Ms. **Bender**. The two ladies that we employed to handle the operation, we set it up in a building that was easily accessible because my own particular administration building is not on a busline and the people we deal with needed to get to it so we had to set it up in a special office. There was no cost there for the office but I did have to have a phone for accessibility. So we had the cost of phone, the cost of the letters, postage, mailing, and then, as I said, halfway through this process, which would have been about December 1, we had to have security until we completed our verification process.

Our school system did not have the funds to just give me a security man. So we went to outside security.

Mr. **Kildee**. Thank you very much.

Chairman **Perkins**. Mr. Bartlett.

Mr. **Bartlett**. Thank you, Mr. Chairman. Just to follow up on the last question. Did I understand you to say that you had verified 800—was it 800——

Ms. **Bender**. 855.

Mr. **Bartlett** [continuing]. At a cost of $19,000?

Ms. **Bender**. Yes.

Mr. **Bartlett**. Is your testimony that your objection is to the concept of verification or is it just simply too complicated or too costly or somehow difficult to understand or, obviously, not very cost effective to talk to 800 people for $19,000?

Ms. **Bender**. No; it's not too cost effective. It does take considerable time that you have to assign. Many school districts—now I did not add two people to do that—but you did take two people from their regular duties to be assigned to handle the verification. I guess, perhaps, my major thing is that it is not really cost effective. Second, the people who did not respond to us, don't respond, those that we had to remove from the program, haven't responded because they are not qualified, but because there is a lack of understanding. At least that's what seems to be coming in our followup.

Then when it is all said and done the number of changes that were made within my program were less than 10 percent—say, like moving from free to reduced and back and forth within their category. They were small in comparison.

Mr. **Bartlett**. Ms. Bender, if I could pursue that for just a second.

Ms. **Bender**. Sure.

Mr. **Bartlett**. Are you testifying against—you are not then testifying against the concept of verification?

Ms. **Bender**. No; I am——

Mr. **Bartlett**. Are there improvements that we could make statutorily—in the statute—to simplify the verification process? Someone else testified that the forms were too complicated. Perhaps we could have simpler forms.

Ms. **Bender**. I guess what I am really testifying for is the hope that you will take under consideration the feasibility study where we can a self-financing program for all children which would then perhaps eliminate some of the concerns and expenditures we are having to spend elsewhere.

Mr. **Bartlett**. Did one of the other witnesses want to answer also?

Mr. **Hughes**. Yes, Mr. Bartlett, if I might. What we are saying goes beyond just the dollar value involved in the verification. It sets up a standard in the school system. As I understand the principle of education, it is to teach the equality and equal opportunity to children. The fact that these verification forms go out and if a parent who does not possess the necessary education, who can't fill out that form, subjects his or her child to a situation in the school system that I don't think is very healthy socially.

The other aspect of it is that it is very time consuming. I think that the previous method and procedures for verifications were sufficient for this program. We believe that this committee and other Members of Congress in fighting the cuts that were proposed by the administration was partially successful, but then they took another route to further erode this program. On that basis, this union says that the verification forms, the way they stand now, are not conducive for participation at maximum by the student population.

The other aspect of it is that when the form is not sent back, we have done research to show that the child is eligible to participate. The problem is, does the parent understand what the form says.

Mr. **Bartlett**. Mr. Hughes, are all of the children in your program, for example, are you certain that they are all eligible? When a child who is not eligible is on the program, that takes away a meal from a child who is eligible. You are not arguing against any sort of verification or are you?

Mr. **Hughes**. We are not arguing against any verification. We are saying that the form as it stands now in terms of its verification intent has disallowed people who should be eligible to participate in that program.

Mr. **Bartlett**. Ms. White.

Ms. **White**. Just to comment to your first question and that is, how did we get into this to start with—I think that was the question. As I recall the law, Public Law 97-35 contained section 803 which addressed verification and in that section of law it made verification a discretionary option with the Secretary of Agriculture. In layman's language it said that if the Secretary wishes to establish a verification procedure, the State shall comply. That's the statutory basis.

Now we have regulations that are in effect this year for the first time that have now established a process for verification. From the standpoint of the American School Food Service Association, we support accountability. We are using Federal dollars to feed children. We must be accountable. I think the problems that we are hearing are one of process and the question then, is there a better way to assure accountability, not hurt children who are, for various reasons, being bumped off of the program perhaps without real need. That's the kind of question that I believe we are having today. But we do support accountability.

Mr. **Bartlett**. Ms. White, I wonder if you could either today or in a followup testimony either to this committee or in my office, if you could suggest a different or a better verification system or a better accountability method.

Ms. **White**. I think, sir, one of the questions we have had as an association is this; a part of that section of law that I quoted required the Federal Government via USDA to do a pilot study on verification in which the various processes could be explored and studied. The problem as we see it, in part, is the fact that the regulations were issued a year before the pilot study have been reported. We still do not have the findings of the pilot study released to us.

So we now have regulations that are not based upon those findings of the pilot study. We hope eventually that this can be streamlined in such a way that everybody can live with something that will bring in accountability, but not a discriminatory aspect for children.

Mr. **Bartlett**. I wonder if any of the witnesses—if you don't, that's fine and I will move onto the next question—but do any of the witnesses have a conceptual suggestion, just a concept, as to how you would conceptually structure verification or accountability?

Ms. **White**. Well, I think, again, Mr. Bartlett, USDA administration did meet with us yesterday at a conference that we are having here in Washington and we are told that they have some new regulations that are being released today, I think, in the Register. We haven't seen them and we are going to be very anxious to see what they do. I understand that these are proposed changes, that there is a response time. So we will be going back to USDA through the established reporting procedures to let them know how we feel about it. It is our hope that something will come out of this that will make this a more livable situation administratively, costwise and what's right for children.

Mr. **Bartlett**. Would you send the members of this committee—at least this member and the committee as a whole your comments?

Ms. **White**. I am sure we will be pleased to do that.

Mr. **Bartlett**. I will look at those in the Federal Register. It has generally been my belief that, oftentimes, better suggestions come from the people who are administering the program than USDA. So if your response is that you want to wait for them to make a proposal——

Ms. **White**. We totally agree with that statement.

[Applause.]

Mr. **Bartlett**. I have a question, Mr. Chairman, if I have a little more time, on the block grant concept because I have noted that several of the witnesses have testified—or I heard one—against the block grant. I suppose my question really relates to the concept of the block grant and that is, is it your feeling that in your individual States that if the same amount of money for those types of programs—that is, nonschool feeding—were sent to the States, that your States would squander the money on such things as highways or that they would feed children that weren't hungry?

I guess I don't understand. I would understand if the funding were cut and then sent in a block, but if it were sent in a block, does your confidence in your States sort of fail? Do you feel like you have a lot more clout up here in Washington than you do in your State legislatures?

[Pause.]

Mr. **Bartlett**. Be careful with your answer. [Laughter.]

Ms. **White**. Sir, for openers, I would like to try a response which, I must say, is not the official response of the State of California because——

Mr. **Bartlett**. I would assume not.

Ms. **White**. You would assume that. That helps.

In my judgment then, block granting would establish not one national program which we now have based on nutritional integrity and education values for children. What we would have would be 50 different versions of a child nutrition program, if, indeed, the money got to child nutrition.

I do believe it is possible for some States to wish to divert that money to highways or plant growing or whatever might be considered another priority. Our concern is that the Federal Government needs to retain responsibility for these programs so they are consistent and so they are equitable and so they are equally available to children in the States.

You see, right now we have an entitlement status for the program. In other words, based upon the number of meals we serve, that funding is supposed to be assured by law. A block grant doesn't assure that. That simply gives the States a grant. If you have situation where an increase is experienced, there is no way to feed those children. The entitlement funding provision of child nutrition is a unique and a very, very important provision that we feel must be maintained. That can happen only when the program is authorized at the Federal level.

Mr. **Bartlett**. I wonder if each of you would comment on this from either your particular State or other States that you know on whether your States would administer, how your States would administer, a child nutrition program if those programs were given to the States to administer, assuming that they have to stay within the parameters of child nutrition. Would you anticipate that your States would not be able to accomplish that? You know we have problems with the Federal program, too. We have heard testimony today and I am sure I could elicit more about some of the problems with the Federal program.

Do you believe that your States would not administer child nutrition very well?

Mr. **Hughes**. Mr. Bartlett, I don't think it has anything to do with the integrity or the principles of our elected State officials. I think what we are saying here is that the Federal Government has a responsibility to feed its poor and that a standard that every one in every State in the United States of America should adhere to. In some instances where block grants have been implemented in the States, those who have the power to lobby, those who have the power to vote, have been there who have walked away from the table with the mountain share of whatever was on the table.

We are talking about a population that doesn't vote, does not have the ability to lobby and we believe that those of you who are in the Halls of Congress here and while you may think that we believe we have more power here than we do back home, we think that the integrity and the principles of the honorable people such as yourself who we can appeal to and set a standard that would do justice to nutrition programs throughout the United States.

Mr. **Bartlett**. I would suggest that there is a pretty powerful lobby of these organizations also—both here and also in the States.

One other question, because I know my time is running short and that is on the subject of permanent authorization. I concur with Mr. Goodling that a multiyear authorization is the appropriate vehicle. I know you are advocating against a 1-year authorization which I share in your feeling, but a permanent authorization—and I wonder if I could get your comments—would, in effect, be saying that the Federal program is perfect and there is nothing wrong with it and so we don't ever have to look at it again.

I wonder if you would comment on that. Would you oppose a multiyear authorization?

Ms. **White**. Frankly, again, it would seem that a 4-year authorization would be reasonable. I think realistically we all know that this is a changing world, there are changing and varying needs for programs. We feel that we must retain some flexibility in these programs, but we also feel that we must have the programs. We can deal with the changes to amendments in regulation or in law such as we are discussing here today.

As a minimum a 4-year authorization is needed to really have effective management and good planning within the States.

Mr. **Bartlett**. Thank you, Ms. White.

Thank you, Mr. Chairman.

Chairman **Perkins**. Mr. Ackerman.

Mr. **Ackerman**. Thank you very much, Mr. Chairman.

I would like to personally thank the panel for their excellent presentation and extend a personal note of greeting to my old friend, Charlie Hughes, who is one of the preeminent labor leaders in the town that we both come from. I think from the strength of his statement and the depth of his convictions that we understand why.

I was listening with great care to the income verification statements that were made. I heard a lot of discussion about it being confusing and cost ineffective. I was wondering if you have any response or opinion on what the real damage is and what the real toll in the stigmatization of young people is by having them and their families go through this process or not be able to go through this process. Let me just wrap up the two questions in one and maybe you can pick them apart, and respond to it. Would it not be better to take this out of your domain, to feed all of the children that claim that they are hungry [applause] and then have some kind of checkoff on their income tax form so that parents can, when they file how much income they make, check off that their children do receive free lunch and then leave that to the IRS and let you people go about the business that you are supposed to be going about?

Ms. **White**. Mr. Ackerman, we would strongly support that concept because really schools are not investigative agencies. We are educational agencies. We believe that verification which is really verifying family earnings and income is an IRS responsibility. We believe that is where it should be. This is why the concept we are talking about—about a self-financing package—is appealing. It puts verification where it belongs—in the verification arm of IRS.

Mr. ACKERMAN. And the second part, do you think that your—if I could use an editorialized word—your "intrusion" into that process stigmatizes these young people, and rather, another agency should do the verification?

Ms. WHITE. Well, we already have IRS investigations, I am told. So it would seem that this would just be part and parcel of that total package that they carry out.

Mr. HUGHES. Mr. Congressman, students' records in any school system, you can't go into those records. In this country if a child is arrested before a certain age, that record is not exposed to the public. But it seems that the school administrators and any workers who live in the community who may go to the same beauty parlor, who may go to the same church, administer a form that determines whether John Doe can or cannot eat.

I am a poor country fellow myself and I remember how I felt when I had to stand by the kid who had the good shoes on and I had the sneakers on. I remember how that made me feel. I am saying today that this program is creating an atmosphere of two kinds of classes in an educational system that is supposed to be fighting for equality, that there should not be any differentiation between one child who happened to speak Latin and another child who happened to speak English. I think that's the stigma here. I think we have to be very careful when we use a public institution such as the officers of school food services throughout these United States as being an agent that is going to investigate the background of the parents of its children.

Mr. ACKERMAN. Thank you.

Chairman PERKINS. Mr. Boucher.

Mr. BOUCHER. Thank you, Mr. Chairman. One of the programs that is particularly important in my congressional district, which is typically less wealthy than the country as a whole, is the School Breakfast and Lunch Program. This subcommittee held hearings in my district during the course of 1983 and it was revealed to us at that time that when the budget was adopted in 1981, making reductions in funding for the School Breakfast and Lunch Program, that there was approximately a 16-percent reduction in the number of students who were participating in those programs throughout southwestern Virginia.

I wonder if the members of the panel could comment on whether those figures are reflective of the situation as it existed nationwide or whether some different reduction was experienced in the various States.

Ms. BENDER. Mr. Boucher, I don't have those figures with me, but when we did prepare testimony for the Commission on Hunger, those figures were included and they are available. If I could send them to you, would that be of help? I just don't have them with me at this point.

Mr. BOUCHER. Yes, that would be of help.

Would you care to comment?

Ms. WHITE. Well, in our testimony, which you may not have had an opportunity to review yet, on page 3, we give some selected samplings across the Nation from the major cities, showing the decline in participation in one category which is for the reduced price meals. We are showing a tremendous drop in participation.

Mrs. Filko here, from Akron, OH, reports a 48-percent drop in the participation for the reduced price meal. In the State of California, we are showing a 30-percent drop in participation. So I believe each State in the Nation, at varying levels, would show an alarming decline in student participation in all three categories—free, paid, and reduced price.

Mr. BOUCHER. At what point did those drops occur? Was this immediately following the enactment of the budget reductions in 1981?

Ms. WHITE. Speaking for the one state I represent, California, we have charts here today that show that that drop started immediately at the time of the Reconciliation Act, the first one, which was effective in January of 1981. At that point, things began to decline very dramatically.

Mr. BOUCHER. Are you making a recommendation for an increase in funding which would restore participation to pre-1981 levels, and if you are, can you give me some idea of what that recommendation is?

Ms. WHITE. Well, the recommendation that has been made is that we really request only a minimum add back, which is about $150 million. That already, of course, has been in H.R. 4091, which has been passed by the House and for that we are most grateful. We just hope that the Senate will have the same vision that you all have had.

But really this is only a token and it is only a small way of dealing with some of the harshness of the cuts. It helps only a very limited number of children in the reduced-price category.

Mr. BOUCHER. Is it your view that the $150 million add back could successfully restore participation to pre-1981 levels?

Ms. WHITE. Well, this is judgmental, of course. We think it would certainly help, but it's only to help in that one category of dropout and that is the reduced-price meal which represents children from the families of the working poor.

Mr. BOUCHER. Thank you very much.

Thank you, Mr. Chairman.

Chairman PERKINS. All right. Mr. Hayes.

Mr. HAYES. Thank you, Mr. Chairman. I want to say thanks, too, to my colleague and friend, Mr. Hughes, who remembered some of my approaches during my efforts to get here. [Laughter.]

Let me first tell you, Mr. Hughes, that I didn't quite know what I was getting into at the time I was seeking this position. [Laughter.]

It seems to me, though, that even though I got here a little late, the testimony of the panel has been quite clear. You all seem to be supportive of H.R. 7. You are concerned about, as I understand it, certain revisions that would be helpful. So far as I am concerned, this is another tragedy of our society as to what is happening to some of our schoolchildren, particularly in my district in Chicago and I am sure it is no different than what has been expressed by the gentleman from New York and some of you from the other parts of our country.

As I understand it, you want to see a restoration of the moneys that have been cut out of the program itself and you think that the verification for the eligibility requirement is hurting some who shouldn't be hurt, although you don't object to some form of verification.

You have also indicated that the 1-year authorization as has been proposed by the administration is totally unrealistic. As I hear you, you are saying that you think that that should be at least 4 years.

Now I don't know myself—maybe you can help me—why is it necessary for a child who is going to school whose parents are on some form of public assistance program where the amount of money they receive each month is known, where many of them in my district run out of the moneys before the end of the month, many using the free food program of cheese and dried milk and some are selling food stamps in order to pay their utilities or pay their rent, why do we have to verify whether that child is eligible for a free lunch program in school? I don't understand it.

Now, I don't want to kid you. I don't think you ought to leave here with little or any understanding—granted, my position on the seniority list is 433d here. [Laughter.]

I want you to understand the moods as I read them here. The restoration of moneys to this kind of a social program is going to be extremely difficult unless the administration changes its view of what are our priorities. I say that quite candidly. I know that the chairman of our committee understands the needs of people, the desires of the poor. I happen to feel that that number is growing based on the statistics that I read despite the rosy picture that has been painted about the decrease in unemployment. This is not felt in my district. The number of people who need assistance from the Federal Government is growing and I think we have to think about it in terms of restoring some of the programs that have been cut, but it's going to be extremely difficult.

Mr. HUGHES. Mr. Congressman, I just want to remind everybody that this program originally was cut by $1.6 billion so when we are talking about restoring $150 million we are not talking about a lot of money. I don't think anyone here is sayimg that there shouldn't be some sort of accountability because we all believe in accountability. But we don't believe the kind of accountability that has been imposed upon us is reasonable.

The other aspect in terms of jobs. We have done some research and feel that if 3 million lunches were added per day, that would probably mean some $60,000 to $70,000 jobs, perhaps on a part-time basis, throughout the United States of America. I pointed out in my testimony that the majority of the work force and the food service systems throughout these United States are women. I think that if we were to look at the comparable work studies started in the State of Washington and other States in this country we will find that women have been discriminated in these kinds of employment and I think that is what we have to look at as well as children being able to have a well-balanced, nutritious meal. We did a study in a middle-class neighborhood in district 20 in New York that where the children did not have breakfast they were very hyperactive. Those who participated in the breakfast program were less hyperactive and were able to digest the lesson plans based upon quality education.

As I understand it, the wife of our chairman, Mrs. Perkins, who has done a wonderful job for quality education in that great State, can attest that a child who is given the right kind of attention can maximize his or her potential in terms of their ability to compete in a society that is highly competitive as it relates to the kind of nutrition that goes into his body.

Someone said that the body is a machine. If you take a new automobile, a 1984 or 1983 or a 1982, and if you were to put leaded gasoline into the tank, the car would not run. The car is designed for unleaded gasoline. So, can you imagine if you put in the wrong kind of RDA requirements for our children? Do we believe that that body is going to function at its maximum? I say not.

Mr. HAYES. Thank you, Mr. Chairman.

Chairman PERKINS. Mr. Goodling.

Mr. GOODLING. I have one request for information and then one question.

We have been trying to get the cash restored for the pilot programs, but we need to know who lost money when the Department changed their methodology last year and how much was lost. We should have those figures to carry on that ongoing battle.

The question I would ask is, wherever I go, I use this one illustration, although it got me into all sorts of trouble with the people who feed senior citizens because they are very proud of the manner in which they do it. I wasn't questioning the application at all. What I was questioning was, just to use an illustration from my district, how food was prepared for senior citizens in the city and hauled 20 miles away to a meeting place, which happened to be next door to an elementary school that was on a federally funded feeding program.

My question is this—I am not saying you should pick up the funding for this—but wherever possible, it seems to me, you could combine both the senior citizen and school lunch programs using about half the amount of money needed for this dual kind of operation. If you had those extra senior citizen funds, and the right opportunity, would you people be receptive to that kind of arrangement so that, as a matter of fact——

[Applause.]

Mr. GOODLING. I guess you don't have to respond. We got an answer.

Our problem is whenever we set up any kind of program in Washington we forget to realize that there is somebody back in the district that is doing that job very well, all we would have to do is give them additional money to expand their area of concern, but we always set up a new group.

As I said, I got in trouble with the people who were carting that food 20 miles down the pike. But I think when you are talking about making dollars that really go to serve the people who are in need, you ought to do it in the best manner possible and I just think that a combination, I think that there is something else to say about that, Tom—and I realize you probably wouldn't do it as the youngsters are in there—but just the fact that senior citizens have an opportunity to associate—you know, they are not at a point where they want to take those youngsters home and keep them more than an hour or two. [Laughter.]

But it does do something for them I think to have that kind of association. But even more than that, I think it's a real educational process for those young people to understand that there are senior citizens, many of which are lonely, many of which have very few people who pay much attention to them and I think it would work both ways. That's why I asked whether you would be willing to assume some of that responsibility if you had the money to do it.

I thank you.

Chairman PERKINS. Thank you, Mr. Goodling.

Mr. Nielson.

Mr. NIELSON. I have no questions, Mr. Chairman.

Chairman PERKINS. Thank you very much. The panel has been excellent. We appreciate you being here today.

[Brief recess.]

[Off-the-record discussion.]

Chairman PERKINS. Our next panel is Robert Zimmerman, director, State Bureau of Special Food Programs, Pennsylvania; Richard Blount, director, Missouri State WIC Program, president, National Association of WIC Directors; and Stefan Harvey, director, Supplemental Foods Projects, Center for Budget and Policy Priorities.

Come around, everybody.

Mr. Zimmerman, we will hear from you first.

[Prepared statement of Robert Zimmerman follows:]

PREPARED STATEMENT OF ROBERT S. ZIMMERMAN, M.P.H., DIRECTOR OF THE BUREAU OF SPECIAL FOOD PROGRAMS [WIC], PENNSYLVANIA DEPARTMENT OF HEALTH, HARRISBURG, PA

Good morning, Chairman Perkins, Congressman Goodling and members of the Committee on Education and Labor's Subcommittee on Elementary, Secondary and Vocational Education. I am Robert S. Zimmerman, Director of the Commonwealth of Pennsylvania Department of Health's, Bureau of Special Food Programs for Women, Infants and Children. I have directed the program since March 1981 and prior to that served the Department since December 1970 in a variety of positions including Director of health planning, maternal and child health planner and public health educator.

I would like to thank you for the invitation to testify on HR 7, which reauthorizes several child nutrition programs. As Director of Pennsylvania's WIC Program, I appreciate the opportunity to share information on our efforts and concerns with you specifically limited to the Special Supplemental Food Program for Women, Infants, and Children better known as "WIC".

SUPPLEMENTAL FUNDING FOR FFY 1984 FOURTH QUARTER

The most immediate need for and effect of current Congressional activity regarding WIC is a supplemental appropriation for the fourth quarter of the Federal Fiscal Year 1984. At the first meeting of the National WIC Coordinators Association last month, we were happy to hear that the Administration recognized the need to update their recent $167 million request to reflect more current food package cost data. Because I have not seen any new estimates as of this date, I offer the following food package cost information for consideration.

Although the $167 million request appears to assume less than a 2% rise in average food package costs between FFYs 1983 and 1984, the previous two fiscal years' actual food package costs showed approximate annual inflation rates of at least 3.33% according to analysis of national data maintained by the U.S. Department of Agriculture. Making matters worse, the current fiscal year's inflation is considerably higher, not lower than those previously experienced rates.

For example, two common and important components of most food packages, eggs and cheese have seen dramatic price increases nationally. In Pennsylvania, the market basket surveys of the Philadelphia area periodically conducted by the Philadelphia Inquirer show the price of a dozen eggs have increased from $.95 in January 1983 to $1.29 in December 1983, and $1.41 in January 1984. The survey found that

10 ounces of cheese costing $1.59 in December 1983, increased to $2.09 only one month later.

Admittedly, Pennsylvania's egg prices have seen disproportionate increases compared to the rest of the nation. This is because over 5 million hens, or 27%, of Pennsylvania's egg producing flock have been lost due to the Avian flu epidemic. However, egg prices are reported to be at all time highs in virtually all regions of the country. Rather than the 2% annualized inflation provided in the $167 million request, or even the previous 3.33% actual annual inflation rates, the Pennsylvania WIC Program has already experienced inflation of food package costs for the first five months of this fiscal year which would annualize at 4.9%. It should be noted that Pennsylvania's food cost per participant in November, 1983 was only $24.21 compared to the national average for the same month of $30.61. Since then, our food costs have increased by $.43 per participant to a February, 1984 level of $24.64. Even if national costs increase only half that amount, it is difficult to believe a national WIC inflation rate for food of any less than 5%.

Even if the $167 million request is updated to reflect more recent food package costs, it proposes that the annualized 1984 budget support an average monthly caseload for the year of 2.8 million participants rather than the three million Congress has funded for the first nine months. According to the Center on Budget and Policy Priorities, this would not mean a reduction of 200,000 participants, but a cut of 500-800,000 participants nationally during the fourth quarter to achieve such an annualized average. The Presidential Task Force on Hunger has recommended that funding over the next year provide for maintenance of caseload at current levels.

The population in need of WIC economically, medically and nutritionally exists in even greater numbers than indicated by review of poverty data in the 1980 Census. The 1980 census, which is the basis for calculating potential income eligibles, utilized income data collected in 1979 to measure poverty levels in America. More recent data presented by the February 1, 1984 U.S. Bureau of Census' Report Technical Paper 51, indicates that overall poverty rates have steadily risen since 1979 accumulating a 28% increase by the end of 1982. Even when measuring poverty using cash plus non-cash income represented by benefits provided by poverty assistance programs, the percent of those in poverty still show a steady increase over the 1980 census base. The three million persons on WIC nationally by any current estimates are clearly but a fraction of those economically eligible.

If a monthly participation level of three million is to be maintained, I feel the $167 million request is in clear need of update.

FFY 1985 FUNDING

If it is your intention to continue to support the current level of three million participants per month, the $1.471 billion estimated by the Congressional Budget Office appears to be an accurate assessment of costs. If Congress agrees to the proposal to reduce participation to a monthly average of 2.7 million participants during FFY 1985, (which assumes 2% cut in the non-food grant), I would encourage that the $1.254 billion funding proposal also be revised upward to more accurately reflect more current food package cost experience and allowance for a 20% non-food budget.

Despite the rapid and much needed growth to WIC caseloads made possible by last year's Job's Bill, there continues to be heavy demand for WIC in Pennsylvania as well as nationally. For example, of the 140,000 plus participants served in Pennsylvania at least ¾ are in the top three of the six Federal WIC priority groups. It has been suggested by some that WIC added too many children versus women and infants with Job's Bill funds. However, a large majority of children added in Pennsylvania were added because of high risk medical and growth problems defined in the third of six program priority categories. In addition, potentially eligible children clearly outnumber the aggregate target population for women and infants. Some children added were presented for enrollment by participating pregnant women, or mothers of infants already on the program. Exclusion of their needs, which in most cases were very high risk, could detract from the services and diminish the impact of nutrition supplementation being provided to other family members.

AUTHORIZATION PERIOD

Concerning the reauthorization and funding mechanism, the year to year reauthorization and continuously late grant awards to states, further complicates an already difficult program to administer. For example, in fiscal years 1981-1984, Pennsylvania received grant award notices for fiscal years beginning October 1st on January 9th, January 28th, January 5th, and December 16th.

In order to maintain continuity of services from one fiscal year to the next, states must begin processing contracts with local agencies three to six months before a coming fiscal year. Despite this need, neither the State Agency or local agency know what will be ultimately available for the year being budgeted, until four months after it has begun. In many cases, local agencies cut staff at the beginning of each fiscal year because there is no guarantee that annualized funding plus inflation will be available to retain them. The later the grant award, the more disruptive and severe the up or down correction necessary to operate within it. As a result, some agencies let staff go prematurely, others carry them too long, and so on. This creates extremely unstable staffing patterns which unnecessarily affect both the quantity and quality of services. In addition, media reports of past proposals to severely cut WIC funds resulted in some local agencies failing to maintain caseload for fear of having to more drastically cut participants a few months later. No show rates also increased because participants thought WIC was out of funds or that it was necessary for them to sacrifice their benefits so those in more critical need could be served. This disruption in the continuity and quality of services has an important effect on our abilities to prevent or ameliorate the problems WIC is to address. In their January 30, 1984 report on WIC Evaluations, GAO states that it ". . . finds some evidence that suggests that participating in WIC for more than six months is associated with increases in birthweights and with decreases in proportion of low birthweight infants".

In addition, Pennsylvania's WIC Task Force, appointed by Governor Dick Thornburgh, believes that this continuity is vital for infants as well. In fact, they recommend that infants who are found eligible should be certified through the first year of life, rather than for six months. They recommend states be given this option subject to the condition that the parent or guardian bring the infant into the clinic for nutritional medical assessment at specified intervals during the infancy period. The rationale is that infants are at higher risks of malnutrition throughout the first year and in the second six months have no residual protection from the nutritional intake of the mother during pregnancy. Also, the link between the health care provider and the family may otherwise be broken at six months and the families who are most at risk for having malnourished children are those least likely to have firm ties to the health care system.

Clearly, WIC is ready now for reauthorization for a multi-year period such as four years. Its efficiency and efficacy would be enhanced by a forward funding approach which would set basic funding for a coming fiscal year at least six months to a year in advance.

CUTS IN ADMINISTRATIVE FUNDING

Concerning proposals to cut WIC "Administrative Grants" from this current 20% level, I have the following comments.

Before concurring with such cuts, please consider what those funds purchase. At a minimum, ⅙th of the 20% must and should be devoted to nutrition education which is a critical service component. In fact, WIC's administrative funds provide for nutritional/medical assessments, health care integration and referrals, as well as nutrition education. Also, unlike the Food Stamp Program, state WIC agencies print their own vouchers, coupons, or food instruments, and monitor their vendors. I support legislative language changes which more clearly define the nonfood grant as an operational budget which includes services such as these. This would assist in correcting the misconception that WIC has a 20% administrative overhead.

It has been suggested that such a reduction would allow more participants to be served for the same dollar. However, such an approach ignores the necessity for the above services and the deterioration of their quality which would surely be experienced. It would be far more effective to stop penalizing current efforts by states to tailor food packages so that more participants can be served within a state's grant. A disincentive to such efforts occurs because of the current method of distributing administrative grants to states. For example, a state's administrative funding is determined by how much food money they get, rather than the number of people they serve with it. So states who have a low average food cost per participant receive less administrative funds per participant. Yet, I believe it would be a mistake to legislate funding formulae because of the inflexibility and management problems it would create. However, I do believe that Congress should expect administrative formulae used by USDA to provide incentives for such economies and that administrative grants to states should be more proportionate to the caseloads they support. Pennsylvania's experience is a good example. We have a February, 1984 food package cost (despite high prices) of $24.64 versus the national *average* of $30.61 in November, 1983. Yet for the last three years, compared with other states, Pennsylvania has consistently received the lowest or near lowest administrative cost allowance per participant of any state. Several of these states have equal or larger caseloads and would presumably have better (or no less than equal) economies of scale. This penalty for economy and efficiency deprives Pennsylvania, and other states with lower than average food cost per participant, of a fair share of resources with which to provide comparable quality services such as is afforded to states who serve fewer participants with the same food dollar.

Finally, I highly recommend legislative language allowing state agencies to carry a two or three percent over or underexpenditure from one year to the next. This would allow for a more complete utilization of grant monies. States currently underspend by two to three percent each year to avoid slight overexpenditures for which there are no compensating state funds. Because WIC food vouchers have life cycles of at least 30 days for the participants' use, it is 45 to 90 days before most states know precisely what a given participation level actually cost them. The exact cost of food packages obligated at the end of a fiscal year is not known until the next fiscal year. As a result, states slightly underspend avoid any possibility of overexpenditures. A two to three percent carry over would allow better management of existing resources without mortgaging a subsequent grant year. It also need not increase Federal commitments, if overexpenditure amounts of 2% or less are absorbed by the individual state's next fiscal year grant and any surpluses above 2% removed from the state's carryover.

Thank you again for giving the Pennsylvania WIC Program an opportunity to share its ideas with you concerning proposed WIC legislation. I would be most happy to respond to any questions you have.

STATEMENT OF ROBERT ZIMMERMAN, DIRECTOR, STATE BUREAU OF SPECIAL FOOD PROGRAMS, PENNSYLVANIA

Mr. ZIMMERMAN. Good morning, Chairman Perkins, Congressman Goodling and members of the Committee on Education and Labor's Subcommittee on Elementary, Secondary, and Vocational Education.

I am Robert Zimmerman, director of the Commonwealth of Pennsylvania Department of Health's Bureau of Special Food Programs for women, infants, and children. I have directed that program since March 1981 and prior to that served the department since December 1970 in a variety of positions, including director of health planning, maternal and child health planner and public health educator. I would like to thank you for the invitation to testify on H.R. 7 which reauthorizes several child nutrition programs. As the director of Pennsylvania's WIC Program, I appreciate the opportunity to share information on our efforts and concerns with you, specifically limited to the Special Supplemental Food Program for women, infants and children.

The most immediate need and effective current congressional activity regarding WIC is a supplemental appropriation for the fourth quarter of Federal fiscal year 1984. At the first meeting of the National WIC Coordinators meeting held last month, we were happy to hear that the administration recognized to update their recent $167 million request to reflect more current food package cost data. Because I have not seen any new estimates as of this date, I offer the following food package cost information for consideration.

Although the $167 million request appears to assume less than 2 percent rise in average food package costs between 1983 and 1984, the previous 2 fiscal years actual food package costs showed an approximate annual inflation rate of 3.33 percent. This is according to an analysis of national data maintained by the U.S. Department of Agriculture. Making matters worse, the current fiscal year's inflation is considerably higher, not lower, than the previously experienced rates.

For example, two common and important components of most food packages, that is eggs and cheese, have seen dramatic price increases nationally. In Pennsylvania, the market basket surveys of the Philadelphia, periodically conducted by the Philadelphia Inquirer show the price of a dozen eggs have increased from 95 cents in January 1983, to $1.29 in December 1983, and $1.41 in January 1984. The survey found that 10 ounces of cheese costing $1.59 in December 1983, increased to $2.10 only 1 month later.

Admittedly, Pennsylvania's egg prices have seen disproportionate increases compared to the rest of the Nation. This is because over 5 million hens or approximately 27 percent of Pennsylvania's egg-producing flock have been lost due to Avian flu. However, egg prices are reported to be at all time highs in virtually all regions of the country. Rather than the 2-percent annualized inflation provided in the $167 million request or even the previous 3.33 percent actual annual inflation rates, the Pennsylvania WIC Program has experienced an annualized inflation of food package costs just in the first 5 months of this fiscal year of 4.9 percent.

It should be noted that Pennsylvania's cost per participant in November 1983 was only $24.21 compared to the national average in the same month of $30.61. Since then, our prices have increased 43 cents per participant to a February 1984 level of $24.64.

It's difficult to believe a national WIC inflation rate for food of any less than 5 percent under the circumstances. Even if the $167 million funding request is updated to reflect more recent food package costs, it proposes an annualized 1984 support of an average monthly caseload of $2.8 million participants rather than the $3 million Congress has funded for the first 9 months.

According to the Center for Budget and Policy Priorities, this would not mean a reduction of 200,000 participants, but a cut of 500,000 to 800,000 participants nationally during the fourth quarter to achieve such an annualized average. In addition, the Presidential Task Force on Hunger has recommended that funding over the next year provide a maintenance of caseload at current levels.

The population in need of WIC economically, medically, and nutritionally exists in even greater numbers than indicated by a review of poverty data in the 1980 census. In the 1980 census which is the basis for calculating potential income eligibles utilized income collected in 1979 to measure poverty levels in America. More recent data presented by the February, 1984 U.S. Bureau of Census' Report Technical Paper 51, indicates that overall poverty rates have steadily risen since 1979, accumulating a 28-percent increase by the end of 1982. I remind you, however, that the rate of poverty and families with children is far higher than the overall poverty rate.

Even when measuring poverty using cash plus noncash income, represented by benefits provided through public assistance, the percentage of those in poverty still show a steady increase over the 1980 census base. The 3 million persons on WIC nationally by any current estimates are clearly but a fraction of those economically eligible.

If a monthly participation level of 3 million is to be maintained, I feel that the $167 million request is in clear need of update. In another area, if it is your intention to continue to support the current level of 3 million participants per month, $1.47 billion estimate by the Congressional Budget Office appears to be a more accurate assessment of costs.

If Congress agrees to the proposal to reduce participation monthly to an average of $2.7 million participants during 1985, which, by the way, assumes a 2-percent cut in the nonfood grant, I would encourage that the $1.245 billion funding proposal also be revised upward to more accurately reflect current food package costs and to allow for a 20-percent nonfood budget.

Despite the rapid and much needed growth in WIC caseloads made possible by last year's Job's bill, there continues to be a heavy demand for WIC in Pennsylvania as well as nationally. For example, of the 140,000-plus participants served in Pennsylvania, at least three-fourths are in the top three of the six Federal priority categories. It has been suggested by some that WIC has added too many children versus women and infants with the job's bill funds.

However, a large majority of children added in Pennsylvania were added because of high risk medical and growth problems defined in the third of the six priority categories. In addition, potentially eligible children clearly outnumber the aggregate target population for women and infants. Some children added were presented for enrollment by their participating pregnant women or mothers of infants already on the program and exclusion of their needs, which, in most cases, were very high, could detract from the services and diminish the impact of nutrition supplementation being provided to other family members.

Concerning the reauthorization and funding mechanism, the year-to-year reauthorization and continuously late grant awards to States further complicates an already difficult program to admininster. For example, in fiscal years 1981 through 1984, Pennsylvania received grant award notices for fiscal years beginning on October 1, on January 9, January 28, January 25, and December 16. In order to maintain the continuity of services from one fiscal year to the next, States must begin processing contracts with local agencies 3 to 6 months, at a minimum, before the coming fiscal year. Despite this need, neither the State agencies nor the local agency knows what will be ultimately available for the year being budgeted until 4 months after it has begun.

In many cases, local agencies cut staff at the beginning of each fiscal year because there is no quarantee that annualized funding plus inflation will be available to retain them. The later the grant award, the more disruptive and severe the up or down correction necessary to operate within it. As a result, some agencies let staff go prematurely. Other agencies carry them too long and so on.

This creates extremely unstable staffing patterns, which unnecessarily affect both the quantity and quality of services. In addition, media reports of past proposals to severely cut WIC funds resulted in some local agencies failing to maintain caseload for fear of having to more drastically cut it only a few months later. No-show rates also increase because participants thought WIC was out of funds or that it was necessary for them to sacrifice their benefits on behalf of those that were more critically needy.

This disruption in the continuity and quality of services has an important effect on our abilities to prevent or ameliorate the problems which WIC is to address. In their January 30, 1984, report on WIC evaluations, the GAO states that it, quote, finds some evidence that suggests that participating in WIC for more than 6 months is associated with increases in birthweights and decreases in proportion of low birthweight infants. In addition, Pennsylvania's WIC task force, appointed by Gov. Dick Thornburgh believes that this continuity is vital for infants as well. In fact, they recommend that infants who were found eligible be certified through their first year of life rather than for 6 months. They recommend States be given this option, subject to the condition that the parent or guardian bring the infant into the clinic for a nutritional/medical assessment at specified intervals during the infancy period.

The rationale is that infants are at higher risk of malnutrition throughout the first year and in the second 6 months have no residual protection from nutritional intake of the mother during pregnancy. Also the link between the health care provider and the family may otherwise be broken at 6 months and the families who are at most risk for having malnourished children are those least likely to have a firm tie to the health care system.

Clearly, WIC is ready now for a reauthorization for a multiyear period such as 4 years. Also its efficiency and efficacy would be enhanced by a forward-funding approach which would set basic funding for a coming fiscal year, at least 6 months to 1 year in advance.

Concerning proposals to cut WIC administrative grants from their current 20 percent level, I have the following comments. Before you would concur with such cuts, please consider what those funds purchase. At a minimum one-sixth of the 20 percent must and should be devoted to nutritional education, which is a critical service component. In fact, WIC's administrative funds provide for nutritional/medical assessments, health care integration and referrals as well as nutrition education. Also, unlike the food stamp program, state WIC agencies print their own vouchers, coupons or food instruments and monitor their own vendors.

I support legislative language changes which more clearly define the nonfood grant as an operational budget which includes services such as these. This would assist in correcting the misconception that WIC has a 20-percent, administrative overhead. It has been suggested that such a reduction, that is a reduction in the administrative percent, would allow more participants to be served with the same dollar. However, such an approach ignores the necessity for the above services and a deterioration of their quality which would surely be experienced.

It would be far more effective to stop penalizing current efforts by States to tailor their food packages so that more participants can be served within a State's grant. A disincentive to such efforts because of the current method of distributing administrative grants to States.

For example, a State's administrative funding is determined by how much food money they get rather than the number of people that they serve with it. So States who have a low average food package cost per participant receive less administrative funds per participant. Yet, I believe it would be a mistake to legislative funding formulae because of the inflexibility and the management problems it could create. However, I do believe that Congress should expect administrative formulae used by USDA to provide incentives rather than disincentives for such economies and that administrative grants to States should be more proportionate to the caseloads they serve.

Pennsylvania's experience is a good example. We have a February 1984 food package cost, despite high prices, of $24.64 versus the national average of $30.61 in November. Yet for the last 3 years, compared with other States, Pennsylvania has consistently received the lowest or nearly lowest administrative cost allowance per participant of any State. Several of those States have equal or larger caseloads and would, presumably, have better or no less than equal economies of scale.

This penalty for economy and efficiency deprives Pennsylvania and other States with lower-than-average food cost per participant of a fair share of resources with which to provide comparable quality services such as is afforded to States who serve fewer participants with the same food dollar.

Finally, I highly recommend legislative language allowing State agencies to carry a 2- to 3-percent over- or under-expenditure from one year to the next. This would allow a more complete utilization of grant moneys. States currently underspend by 2 or 3 percent each year to avoid slight overexpenditures for which there are no compensating State funds.

Because WIC vouchers have lifecycles of at least 30 days for the participant's use, it is 45 to 90 days before most States know precisely what a given participation level will actually cost them. The exact cost-of-food packages obligated at the end of a fiscal school year is not known until the fiscal year. As a result, States slightly underspend to safely avoid any possibility of overexpenditures

A 2- to 3-percent carryover would allow better management of existing resources without mortgaging a subsequent grant year. It also need not increase Federal commitments. If overexpenditure amount of 2 percent or less are absorbed by the State's next fiscal year grant and any surpluses above 2 percent removed from the State's carryover.

I want to thank you again for giving the Pennsylvania WIC Program an opportunity to share its ideas concerning proposed WIC legislation. I would be most happy to respond to any questions you may have.

Chairman PERKINS. Thank you very much. We will defer the questions until we hear from the panel. Ms. Stefan Harvey, go ahead.

[Prepared Statement of Stefan Harvey follows:]

PREPARED STATEMENT OF STEFAN HARVEY, DIRECTOR, SUPPLEMENTAL FOOD PROJECT, CENTER ON BUDGET AND POLICY PRIORITIES

Good morning. I am Stefan Harvey of the Center on Budget and Policy Priorities. This morning I am here representing the Center and the National March of Dimes. Since WIC's inception in 1972, the March of Dimes has been committed to the program and has played an important role in expanding WIC in communities across the country. For the past 11 years I have done national advocacy work on WIC. From 1973 to 1981 I directed the WIC Advocacy Project at the Children's Foundation. In 1981 I joined the staff of the Center, which specializes in research and analysis on low income programs. Today I am joined by Robert Greenstein, the Center's director. As many of you know, Mr. Greenstein was the Administrator of USDA's Food and Nutrition Service in 1979 and 1980. Presently the Center works with a national network of WIC administrators and advocates and provides analysis and assistance on a wide range of issues affecting WIC.

THE INCREASING NEED

I welcome the opportunity to appear before the Subcommittee as you consider the first WIC reauthorization in a number of years. The last time this Subcommittee met to consider WIC authorizing legislation was in 1978. Since then we have seen a stunning increase in the number of children living in poverty.

A major new Census report issued in late February found that in just three years from 1979 to 1982, the number of children below the age of 6 who live in poverty jumped by 41%. There were 1.5 million more poor children under age 6 in 1982 than in 1981.

Even more striking, the Census data show that if alternative definitions of poverty are used and non-cash benefits are counted, the number of poor children under age 6 jumped by as much as 64% during this three-year period.

The Census results are clear. No matter how we measure poverty, the number of poor children under 6 has grown by extremely large proportions in recent years. In addition, with a continuing trend toward one-parent families and with a continuing drop since 1982 in AFDC payment levels as adjusted for inflation (as documented by the Congressional Research Service), we can expect relatively little improvement in this rather bleak picture in coming years despite some improvement in the economy.

Adding to the growing problem have been sharp reductions in Medicaid and other health coverage for mothers and children in recent years. The Children's Defense Fund (CDF) has reported that 700,000 children from working poor families lost Medicaid coverage when their families were dropped from AFDC as a result of the 1981 budget cuts. Most of these children were below the poverty line. CDF also reports that over one-fourth of all children in poverty now have no Medicaid coverage—a shapr increase since the mid-1970's in the proportion of unserved children.

In addition, CDF reports that from 1978 to 1982, there were increases in 26 states in the percentages of women who either failed to receive prenatal care or did not receive care until late in pregnancy. In many states, first-time pregnant women were dropped from AFDC and Medicaid until the final trimester of pregnancy as a result of another 1981 federal budget cut, despite the proven fact that health care and adequate nutrition early in pregnancy is critical to successful pregnancy outcomes.

The increase in poverty and reductions in federal programs are matched by equally disturbing data on the health of young children. A recent study from the Public Health Service in HHS ("Health and Prevention Profile--United States") shows that 10%-15% of infants of migratory workers and certain rural poor are growth-retarded in relation to dietary deficiencies. The report also shows that one of every eight black infants is born at a low birth weight—and that this is associated with very high rates of infant mortality among black infants. As is well known, infant mortality rates for the U.S. as a whole remain above those of nearly every other western industrialized country in the world.

Recent studies in Massachusetts and Chicago shed additional light on this unfortunate situation. The Massachusetts Department of Public Health issued a major scientific study in November on the nutritional status of poor children in that state. The study found that between 10,000 and 17,500 poor children in Massachusetts are stunted, due largely to chronic malnutrition, and that nearly one in every five children surveyed was either stunted, wasted (abnormally underweight) or anemic. The study also reported that many poor children in need of WIC were left out of the program due to the program's funding limitations.

In Chicago, a study at Cook County Hospital found last year that 30% of all children under age 2 coming to the Pediatric Outpatient Clinic had abnormally low growth, and that in half of those "low growth" cases, the children suffered from inadequate nutrition. Cook County Hospital also reported a 24% increase from 1981 to 1983 in admissions of young children for "failure to thrive" and other nutrition-related conditions.

THE NEED FOR WIC

These deeply disturbing data underscore our need for a strengthened WIC program. In a recent report on WIC, the General Accounting Office stated:

> "We estimate that WIC decreases the proportion of low birthweights for infants born to women eligible for WIC by 16 to 20 percent. WIC's effect on mean birthweights also appears to be positive. . . . WIC mothers appear to experience greater benefits the longer they participate."

This finding is of particular significance since low birth weight is one of the principal causes of infant mortality in the U.S. today. The GAO also reported:

> "We conclude tentatively that teenage women and black women who participate in WIC have better birth outcomes than comparable women who do not participate in WIC."
>
> "Participating in WIC may mitigate some of the effect of a mother's smoking, demonstrably harmful to infant birthweights."
>
> "The available evaluative evidence is modest and preliminary but suggests that participating in WIC improves the intake of energy, protein, and some other nutrients for pregnant women, enhances the iron in their blood, and increases their weight gain."

Of special importance are findings that WIC appears to have even more dramatic increases on pregnancy outcomes when expectant mothers participate for more than six months prior to delivery. The 16%-20% reduction in low birth weights cited by GAO includes the impact of WIC on all pregnant women participating in the program, including those participating for just a month or two prior to delivery. In a recent major WIC study conducted by the Missouri Health Department, however, the incidence of low birth weight was reduced more than 50% among babies born to mothers who participated in WIC for more than six months prior to delivery. This extraordinary finding is all the more significant since Dr. David Rush, the principal investigator of the USDA WIC evaluation currently underway, has said that the Missouri study is the soundest WIC evaluation yet conducted. This suggests that we should be providing more resources in the WIC program in order to enroll more expectant mothers early in their pregnancies.

These findings are important not only in relation to low birth weight, but also in relationship to infant mortality. The link between low birth weight and infant mortality is well established in the medical literature and is beyond dispute. It is extremely likely, therefore, that by having a major impact on reducing low birthweight, WIC also has a direct impact on reducing infant mortality and saving children's lives.

I would add that these issues are now being studied by USDA as part of a comprehensive evaluation of the WIC program. Whild I cannot discuss specific reaults of the USDA evaluation which will be completed this July, I can tell you, as a member of the advisory committee to this evaluation, that I expect this study will produce an additional body of evidence that provides strong support for WIC's positive impacts.

A final note on this score is that I trust the Subcommittee recognizes the very high standards against which we measure the WIC program. The National School Lunch Program—surely one of our nation's outstanding programs—is evaluated for its success in enchancing children's diets and improving their nutrient intakes. In the WIC program, dietary improvement is only one of many standards against which WIC is measured. Evaluations on WIC go well beyond this standard and examine impacts on such life-and-death matters as low birth weight. I know of no other nutritional or social program which is held up to such a rigorous set of standards—and of no other program that succeeds so well.

WHERE DO WE GO FROM HERE? THE NEED FOR ADEQUATE FUNDING

The evidence points us in several directions when we consider the future of the WIC program. The first key direction is the need for adequate funding.

Today, the WIC program serves 3.0 million women, infants, and children. Yet in 1982 (the latest year for which Census data are available), over 10 million women, infants, and children under five had incomes below the WIC income limits. While there is no national data on precisely how many of these persons met the WIC nutritional risk criteria, WIC program experience shows that most of those who meet the income test also meet the nutritional rist test. This is because the WIC program is, as mandated by Congress, preventive as well as remedial.

In short, only about one-third of those who are eligible for the program are participating in it. Moreover, in some areas of the country, no WIC program exists at all. A nationwide survey of all states which I conducted over the past month found that approximately 200 counties still have no WIC program at all. In most areas that do have a program, only a fraction of the need can be met, and lengthy waiting lists are all too common.

Throughout its history, the WIC program has steadily expanded to meet more of the need. From its inception in 1974 to the present day, the program has grown at an annual rate of 300,000 participants per year. If this moderate rate of growth is maintained over a four-year reauthorization period, then the program would serve nearly half of those eligible by FY 1988. Surely, reaching just half of those in need after the end of four years should not be a goal out of reach for a nation such as ours. I would call the Committee's attention to the fact that USDA's own National Advisory Council on Maternal, Infant, and Fetal Nutrition officially recommended to Congress in 1982 that the WIC program be expanded to reach half of those eligible by FY 1985.

To date, one bill has been introduced in the House that provides for growth in WIC, but the growth involved is quite small. H.R. 4661, introduced by Rep. Silvio Conte (R-Mass.), the ranking Republican on the House Appropriations Committee, would raise the WIC authorization ceiling to $1.5 billion in FY 1985 and $1.65 billion in FY 1986. This moves in the right direction, but the $1.5 billion level proposed for 1985 would provide for growth of only 2% next year. Only 60,000 new persons would enter the program in 1985, or about ⅕ of the historic rate of growth. Because of the strong need for more WIC services, I hope we are able to have somewhat more expansion than this.

FUNDING STRUCTURE: THE POSSIBILITY OF A MODIFIED ENTITLEMENT APPROACH

In addition to the need for adequate authorization ceilings, I believe Congress should address the fundamental process by which WIC appropriations are provided.

This year, funds were appropriated for WIC for only part of the year, through July 10. The supplemental appropriation requested by the Administration is so insufficient that 1 million women, infants, and children would have to be thrown off the program in July, August, and September. Last week, when members of the Senate Appropriations Committee raised the possibility of adding to the African relief supplemental the amount needed to maintain the current WIC caseload through September 30, the Administration said it would veto the bill if this occurred. While I believe Congress will eventually provide sufficient funds for the rest of the year, we are now heading toward a possible WIC funding crisis. Without assurance of adequate funding for the period July 11-September 30, some states may be forced to reduce caseloads or cut individuals' benefits in the next few months in order to avoid possible overexpenditures. All of this is unnecessary and should not have to occur.

If I am concerned about what will happen to WIC appropriations in coming months, I am alarmed at what could happen next year. If the appropriations committees continue to fund WIC on a part-year basis, then I fear that once we get past the election, OMB will issue "deferrals" to spread WIC funds intended for part of the fiscal year over all twelve months of the year. This would cause massive program cutbacks, with hundreds of thousands of women, infants, and children being removed from the program. Even if WIC funds are appropriated on a full year basis, OMB could still defer significant amounts of money until the final weeks of the fiscal year, when it would be too late for the funds to be spent.

In the past, there was not a great reason to fear deferrals because a deferral was rejected as soon as either House of Congress voted against it. Now, however, as a result of the Supreme Court decision banning the one-House veto, Congress is helpless to stop deferrals. If OMB defers WIC funds next year, Congress and the WIC community will be forced to stand by and watch while mothers and children at nutritional risk have their WIC benefits cut off.

The only sure way around this problem is to provide WIC with entitlement status, as all other major child nutrition programs have. Yet if WIC were made an open-ended entitlement like school lunch or other food assistance programs, there would likely be a very rapid increase in costs beyond what Congress would find acceptable, as well as a major strain placed on state and local WIC agencies to meet the sudden leap in demand. Therefore, this approach does not seem to be the answer.

Another alternative—which would avoid the specter of deferrals while also preventing an open-ended explosion in program costs—is to convert WIC to a "capped entitlement." Under this approach, there is an entitlement—but only up to the level authorized. So long as there is sufficient need, the amount authorized must be appropriated and cannot be deferred or rescinded. But amounts in excess of the cap would not be provided.

This is a tried and tested approach. It is the approach under which the WIC program operated in FY 1979 and FY 1980. It is also the approach under which the Social Services Block Grant (Title XX) operates today. The capped entitlement structure used in the Social Services Block Grant was written into the Omnibus Budget Reconciliation Act on 1981 by the Senate Finance Committee.

Under this approach, Congress would still have firm control over funding levels, and this control would be exercised when Congress set authorization ceilings. In addition, this approach would result in substantial improvements in administration, since states would know WIC funding levels well in advance and would be able to plan far more efficiently than they can at present.

CARRY-OVER FUNDING

Another issue that needs to be addressed concerns year-end funding practices. One of the principal problems in WIC today is that states generally are forced to underspend their WIC grants. In the past some states have removed needy participants from the program in August and September and ended up with unspent funds for the fiscal year.

This occurs because it simply is not possible for a state to know its exact WIC expenditure levels for a fiscal year until several months after the fiscal year is over. States do not know in advance the exact retail prices of WIC foods for the last few months of the year, nor do the states know exactly how many WIC vouchers will actually be redeemed (not all WIC vouchers are redeemed). Since many WIC vouchers issued for July, August, and September do not fully work their way through the WIC financial cycle until after September 30, the states do not know their exact expenditure levels for these months until the fiscal year is over. The normal way to handle this is for states to leave some margin in their expenditures so that if unexpected costs appear, they have the funds on account to cover them.

The upshot is that most states end up with unspent funds each year. Moreover, some states have frantically slashed their caseloads in August and September to assure they do not overspend—and then ended up with a surplus.

I strongly support the proposal of the National WIC Directors' Association to address this problem by allowing states to spend up to 3% of their grant in a fiscal year. Under this approach, any amount actually spent in excess of 100% of a state's food grant would then be subtracted from the state's grant for the following fiscal year. This would ensure that no additional federal costs resulted from this provision.

Few states would ever really exceed 100% of their grant under such a provision. What would happen is that those states now spending 95% or 97% of their grants would spend closer to 100% and serve more nutritionally-at-risk women and children.

Under many education programs in this Committee's jurisdiction, funding is made available both for the last three months of a fiscal year and the entire twelve months of the next fiscal year. Simply allowing a very small percentage of a state's WIC grant to effectively be borrowed from the following year's appropriation is an extremely modest step by comparison, and it is badly needed.

ADMINISTRATIVE FUNDS

Finally, I would like to note our opposition to the Administration's proposal to reduce from 20% to 18% the share of WIC funds devoted to nutrition education, nutrition assessments, and general administration. State and local agencies are already squeezed. If the Administration's proposal is accepted, the quality of WIC services will inevitably deteriorate to some degree. Less work will be done to locate persons at high degrees of risk who are not participating in the program. Participants may be forced to wait additional days or weeks to be processed for WIC. The quality of nutrition education sessions and materials is also likely to diminish. We are in strong agreement with the National WIC Directors' Association that such a provision would be exceedingly unwise and counterproductive to sound program administration.

This concludes my prepared testimony. I appreciate the opportunity to appear before the Subcommittee.

STATEMENT OF STEFAN HARVEY, DIRECTOR, SUPPLEMENTAL FOODS PROJECTS, ACCOMPANIED BY ROBERT GREENSTEIN, DIRECTOR, CENTER FOR BUDGET AND POLICY PRIORITIES

Ms. HARVEY. Good morning. I am Stefan Harvey of the Center on Budget and Policy Priorities. This morning I am here representing the Center and the National March of Dimes. Since the initial WIC legislation passed in 1972, the March of Dimes has been committed to the program and has played an important role in expanding WIC to communities across the country.

For the past 11 years I have done national advocacy work on WIC. From 1973 to 1981, I directed the WIC advocacy project with the Children's Foundation. In 1981 I joined the staff of the center, which specializes in research and analysis on low-income programs. Today I am joined by Robert Greenstein, the center's director. As many of you know, Mr. Greenstein was the Administrator of USDA's Food and Nutrition Service in 1979 and 1980. Presently the center works with a national network of WIC administrators and advocates and provides analysis and assistance on a wide range of issues affecting WIC.

I welcome the opportunity to appear before today as you consider the first WIC reauthorization in a number of years. The last time this subcommittee met to consider WIC authorizing legislation was in 1978. Since then we have seen a staggering increase in the number of children living in poverty. A major new census report issued late last month found that in just 3 years, from 1979 to 1982, the number of children below the age of 6 who live in poverty jumped by 41 percent. There were 1½ million more poor children under age 6 in 1982 than in 1981.

Even more striking the census data showed that if alternative definitions of poverty are used and noncash benefits are counted, the number of poor children under 6 jumped by as much as 61 percent during this same 3-year period.

The census results are clear. No matter how we measure poverty, the number of poor children under 6 has grown by extremely large proportions in the recent years. In addition, with the continuing trend toward one-parent families and a continuing drop since 1982 in AFDC payment levels, as adjusted for inflation, as documented by the Congressional Research Service, we can expect relatively little improvement in this rather bleak picture in the coming years despite some improvement in the economy.

Adding to the growing problem have been sharp reductions in medicaid and other health coverage for mothers and children. The Children's Defense Fund has reported that 700,000 children from working poor families lost medicaid coverage when their families were dropped from AFDC as a result of the 1981 budget cuts. Most of these children were below the poverty line.

The Children's Defense Fund also reports that over one-fourth of all children living in poverty have no medicaid coverage—a sharp increase since the 1970's in the proportion of unserved children. In addition, CDF reports that from 1978 to 1982, there were increases in 26 States in the percentages of women who either failed to receive prenatal care or did not receive such care until late in pregnancy.

In many States, first-time pregnant women were dropped from AFDC and medicaid until the final trimester of pregnancy as a result of another budget cut. These cuts were enacted despite the proven fact that health care an adequate nutrition early in pregnancy are critical to successful pregnancy outcomes.

The increase in poverty and reductions in Federal programs are matched by equally disturbing data on the health of young children. A recent study from HHS's Public Health Service Health and Prevention Profile: The United States shows that 10 to 15 percent of infants of migratory workers and certain rural poor are growth retarded in relation to diet deficiencies. The report also shows that one of every eight black infants is born at low birthweight and that this is associated with very high rates of infant mortality among black infants. As is well-known, infant mortality rates for our country as a whole remain above those of nearly every other Western industrialized country in the world.

Recent studies in Massachusetts and Chicago shed additional light on this unfortunate situation. The Massachusetts Department of Public Health issued a major scientific study last November of the nutritional status of poor children in their State. The study found that between 10,000 and 17,500 poor children in Massachusetts are stunted due largely to chronic malnutrition and that nearly one in every five children surveyed was either stunted, abnormally underweight or anemic.

The study also reported that many poor children eligible for WIC were left out of the program due to funding limitations.

In Chicago, a study conducted last year at the Cook County Hospital found that 30 percent of all children under age 2 coming to the Pediatric Outpatient Clinic had abnormally low growth and in half of those low growth cases, the children suffered from inadequate nutrition. Cook County Hospital also reported a 24-percent increase from 1981 to 1983 in admissions of young children for failure to thrive and other nutrition-related conditions.

These deeply disturbing data underscore our need for a strengthened WIC Program. In a recent report on WIC, the General Accounting Office stated, and I quote, "We estimate that WIC decreases the proportion of low birthweights for infants born to women eligible for WIC by 16 to 20 percent. WIC's effect on mean birthweights also appears to be positive. WIC mothers appear to experience greater benefits the longer they participate."

This finding is of particular significance since low birthweight is one of the principal causes of infant mortality in our country. The GAO also reported:

> We conclude tentatively that teenage women and black women who participate in WIC have better birth outcomes than comparable women who do not participate. Participating in WIC may mitigate some of the effect of a mother's smoking. The available evaluative evidence is modest and preliminary but suggests that participating in WIC improves the intake of energy, protein, and some other nutrients for pregnant women, enhances the iron in their blood and increases their weight gain.

Of special importance are findings that WIC appears to have even more dramatic effects on pregnancy outcomes when women participate for more than 6 months prior to delivery. The 16- to 20-percent reduction, as cited by the General Accounting Office, includes the impact of WIC on all pregnant women, including those who may have participated for a month or two prior to delivery.

In a recent major WIC study conducted by the Missouri Health Department, which Dick Blount may comment on this morning, the increase of low birthweight was reduced by more than 50 percent among babies born to mothers who participated in WIC for more than 6 months prior to delivery. This extraordinary finding is all the more significant since Dr. David Rush of Columbia University, who is the principal investigator of the current USDA study underway, has said that the Missouri study is the soundest WIC evaluation yet conducted.

This suggests that we should be providing more resources in the WIC Program in order to enroll more expectant mothers earlier in their pregnancies. These findings are important not only in relation to low birthweight, but also in relation to infant mortality. The link between low birthweight and infant mortality is well established in the medical literature and is beyond dispute.

It is extremely likely, therefore, that by having a major impact on reducing low birthweight, WIC also has a direct impact on reducing infant mortality and saving children's lives.

I would add that these issues are now being studied by USDA as part of a comprehensive evaluation, the one conducted by Dr. Rush. While I cannot discuss specific results of the USDA evaluation which will be completed this July, I can tell you that as an advisory panel member to this evaluation, I expect the study will produce an additional body of evidence that provides strong support for WIC's positive impacts.

One final note on this score. I trust the subcommittee recognizes the very high standards against which we measure the WIC Program. The National School Lunch Program, which we heard about this morning and everybody agrees is one of the Nation's outstanding programs, is evaluated for its success in enhancing children's diets and improving their nutrient intakes.

In the WIC Program, as many of you may know, dietary improvement is only one of the many standards against which WIC is measured. Evaluations on WIC go beyond this standard and examine impacts on such life and death measures as low birthweight. I know of no other nutritional or social program which is held up to such a rigorous set of standards and of no other program that succeeds so well.

The evidence I have discussed points us in several directions when we consider the future of the WIC Program.

The first key direction is the need for adequate funding. Today, as Bob Zimmerman has pointed out, WIC serves roughly 3 million women, infants, and children. Yet, in 1982, the latest year for which census data are available, over 10 million women, infants, and children under 5 had incomes below the poverty guidelines for the WIC Program. While there is currently no national data on precisely how many of these persons meet the WIC nutritional risk criteria, the WIC Program experience to date shows that most of those people who meet the income guidelines also meet the nutritional risk guidelines. This is because the WIC Program, as mandated by Congress, preventive as well as remedial.

In short, only about a third of those who are eligible for the program are currently participating. Moreover, in some parts of the country, no WIC Program exists at all. I recently conducted a nationwide survey of all counties in the country and found that approximately 200 currently have no WIC Program at all.

In those areas that do have programs, only a fraction of the need can be met and lengthy waiting lists are all too common. Throughout its history, the WIC Program has steadily expanded to meet more of the need. From its inception in 1974 to the present day, the program has grown at an annual average of 300,000 per year. If this moderate rate of growth is maintained over a 4-year reauthorization period, then the program would serve nearly half of those eligible by fiscal 1988. Surely, reaching just half of those in need after the end of 4 years, should not be a goal out of reach for a Nation such as ours. I would call to the committee's attention the fact that USDA's own National Advisory Council on Maternal, Infant and Fetal Nutrition officially recommended to Congress in 1982 that the WIC Program be expanded to reach half of the eligible population by fiscal 1985.

To date, one bill has been introduced in the House that provides for growth in WIC, but the growth involved is quite small. H.R. 4661, introduced by Congressman Conte, ranking Republican on the House Appropriations Committee, would raise the WIC authorization ceiling to $1.5 billion in fiscal 1985 and to $1.6 billion in fiscal 1986. This moves in the right direction, but the $1.5 billion proposed for fiscal 1985 would provide for a growth of only about 2 percent next year. Only 60,000 new women, infants, and children would be able to enter the program in 1985 or about one-fifth of the historic rate of growth.

Because of the strong need for more WIC services, I hope we are able to be somewhat more expansive than this. In addition to the need for adequate authorization ceilings, I believe Congress should address the fundamental process by which WIC appropriations are provided. This year, as you may remember, funds are appropriated for only part of the year through July 10. The supplemental appropriation requested by the administration is so insufficient that 1 million women, infants, and children would have to be thrown off the program in July, August, and September. Last week when members of the Senate Appropriations Committee raised the possibility of adding to the African relief supplemental, the amount needed to maintain the current WIC caseload through the end of the fiscal year, the administration said it would veto the bill if this occurred.

While I believe that Congress will eventually provide sufficient funds for the rest of the year, we are now heading toward a possible WIC funding crisis. Without assurance of adequate funding for the period July 11 through September 30, some States may be forced to reduce caseloads or cut individuals benefits in the next few months in order to avoid possible overexpenditures. All of this is unnecessary and should not have to occur.

If I am concerned about what will happen to WIC appropriations in the coming months, I am alarmed at what could happen next year. If the appropriations committees continue to fund WIC on a part-year basis, then I fear once we get past the election, OMB will issue deferrals to spread WIC funds intended for part of the fiscal year over all 12 months of the year. This would cause massive program cutbacks with hundreds of thousands of women and young children being removed from the program. Even if WIC funds are appropriated on a full-year basis, OMB could still defer significant amounts of money until the final weeks of the fiscal year when it would be too late for those funds to be spent.

In the past, there was not a great reason to fear deferrals because a deferral was rejected as soon as either House of Congress voted against it. Now, however, as a result of the Supreme Court decision banning the one-House veto, Congress is helpless to stop deferrals. If OMB defers WIC funds next year, Congress and the WIC community will be forced to stand by and watch while mothers and children at nutritional risk have their WIC benefits cut off.

The only sure way around this problem is to provide WIC with entitlement status as all other major child nutrition programs have. Yet, if WIC were made an open ended entitlement like school lunch or other food assistance programs, there would likely be a very rapid increase in cost beyond what Congress would find acceptable as well as place a major strain on State and local health agencies. Therefore, this approach does not seem to be the answer. Another alternative which would avoid the specter of deferrals, while also preventing an open ended explosion in program costs, is to convert WIC to a capped entitlement. Under this approach, there is an entitlement, but only up to the level authorized by Congress. So long as there is sufficient need, the amount authorized must be appropriated and cannot be deferred or rescinded, but amounts in excess of the cap would not be provided. This is a tried and tested approach. It is the approach under which the WIC Program operated in fiscal 1979 and 1980, as you may remember. It is also the approach under which the social services block grant operates today. The capped entitlement structure used in the social services block grant was written into the Reconciliation Act of 1981 by the Senate Finance Committee.

Under this approach, Congress would still have firm control over funding levels and this control would be exercised when Congress set authorization ceilings. In addition, this approach would result in substantial improvements in administration since States would know WIC funding levels well in advance and would be able to plan far more efficiently than they can presently. Mr. Zimmerman has already outlined some of the difficulties about the uncertainty of funding year to year.

Another issue that I would like to address very very briefly concerns the yearend funding practices. As Mr. Zimmerman has pointed out, the WIC Directors Association, and I believe Mr. Blount will comment on it further, has a recommendation which would allow States to spend a small percentage of their next year's budget, if, in fact, that proved necessary. I would simply like to say that we strongly support the proposal of the WIC Directors Association by allowing States to spend up to 3 percent of their grant for the following year.

Under this approach, any amount actually spent in excess of 100 percent of the State's food grant would then be subtracted from a

State's grant for the following fiscal year. This would ensure that no additional Federal funds resulted from this provision.

Under many education programs in this committee's jurisdiction, funding is made available both for the last 3 months of a fiscal year and the entire 12 months of the next fiscal year. Simply allowing a very small percentage of a State's WIC grant to be effectively borrowed from the following year's appropriation is an extremely modest step by comparison and it is badly needed.

Finally, I would like to note our opposition to the administration's proposal to reduce from 20 percent to 18 percent the share of WIC funds devoted to nutrition education, nutrition assessments, and general administration. State and local agencies tell us daily that they currently have insufficient funds to carry out that part of the WIC Program. If the administration's proposal is accepted, the quality of WIC services will inevitably deteriorate to some degree. We fear that less work will be done to locate persons at highest risk and that participants currently in the program may be forced to wait additional days or weeks to be processed. The quality of nutrition education sessions and materials is also likely to diminish.

We are in strong agreement with the National WIC Directors Association that such a provision would be extremely unwise and counterproductive to sound program administration.

Thank you very much.

Mr. KILDEE. Thank you very much, Ms. Harvey.

Our next witness is Mr. Richard Blount, director of the Missouri State WIC Program and president of the National Association of WIC Directors.

[Prepared statement of Richard Blount follows:]

PREPARED STATEMENT OF RICHARD BLOUNT, DIRECTOR, MISSOURI STATE WIC PROGRAM AND PRESIDENT, NATIONAL ASSOCIATION OF WIC DIRECTORS

NATIONAL ASSOCIATION OF WIC DIRECTORS

A STATEMENT OF CONCERNS

The National Association of WIC Directors represents the state agency WIC directors of all the fifty states plus 31 Indian tribal organizations, Puerto Rico, the Virgin Islands, Guam, and the District of Columbia. It was first conceived in 1979 as a national forum of dedicated program managers and other interested persons to act collectively on behalf of the Special Supplemental Food Program for Women, Infants and Children (WIC). It was officially organized by the adoption of its bylaws in November 1983 and the election of officers at its first national conference, February 6–9, 1984.

The functions of the Association include, but are not limited by the following specific functions:

A. To act as a resource for governmental bodies and individual legislators regarding issues particular to the heatlh and nutrition of women, infants and children and to act as an advocate for WIC clients.

B. To provide good management practices to assist WIC Program Directors at the State and local levels.

C. To provide a national resource network through which selected ideas, materials, and procedures can be communicated to persons working in the WIC community.

The Association recognizes that, this the 10th anniversary year of the WIC Program, is one of its most critical years. Its legislative authorization expires September 30, 1984. Though federal funding of the Program has been relatively generous in the past, it must continually seek adequate funding even in years of high federal deficits.

As we celebrate its 10th anniversary, we commend the great accomplishments it has effectively attained since its establishment by a wise and concerned Congress faced with the probable effects of malnutrition in the lives of women, infants and children in our country.

Though the U.S. General Accounting Office's (GAO) most recent report on WIC evaluations released January 30, 1984 stated there was no "conclusive evidence" on the effects expected for the WIC Program, it did affirm that WIC evaluations did provide some favorable effects of the Program. Among the GAO findings were:

> We estimate that WIC decreases the proportion of low birthweights for infants born to women eligible for WIC by 16 to 20 percent. WIC's effect on mean birthweights also appears to be positive . . . WIC mothers appear to experience greater benefit the longer they participate.
>
> We conclude tentatively that teenage women and black women who participate in WIC have better birth outcomes than comparable women who do not participate in WIC.
>
> Participating in WIC may mitigate some of the effect of a mother's smoking, demonstrably harmful to infant birthweights.
>
> The available evaluative evidence is modest and preliminary but suggests that participation in WIC improves the intake of energy, protein, and some other nutrients for pregnant women, enhances the iron in their blood, and increases their weight gain.
>
> The limited evidence on anemia from the two studies of moderate quality suggests that WIC may reduce the incidence of anemia among infants and children.

The Missouri WIC evaluation study cited by the GAO review as one of the most credible and qualitative WIC evaluations documented that: "For both nonwhite and white participants, the low birthweight rates were less than one-half of the rates for comparable non-WIC mothers." That is a particularly significant finding because infant mortality is the 12th leading cause of death in our country and a low birthweight infant is 20 times more likely to die than a normal one.

That the GAO report could be more conclusive was not necessarily indicative of deficiencies within the Program. The "lack of conclusive evidence" was more a problem of the size of the studies (State studies vs. national) and particular methodological imperfections (difficulty of establishing a control group). The GAO, itself, refers to these problems in underscoring "the need to design and implement better studies."

Confident that the WIC Program has earned its place in the field of preventive health, the National Association of WIC Directors has chosen this means to address itself to the basic concerns of legislative authorization and funding as the Program begins its second decade servicing the health and nutrition needs of women, infants and children.

Herein is our statement of concern.

Legislative authorization

1. The Special Supplemental Food Program for Women, Infants and Children [WIC] should be given permanent authorization Prior to September 30, 1984.

The National Association of WIC Directors (NAWD) earnestly believes that the Special Supplemental Food Program for Women, Infants and Children (WIC) should be granted permanent authorization. The logic for such belief is based on sound management principles and the need for administrative continuity. It is most disruptive for any program to have to deal with legislative and regulatory changes each year. In many cases, it takes the greater part of a year to implement such changes. It is especially disruptive to a program such as WIC wherein certification is valid for a six month period. By the time some of the changes are fully implemented in the first cycle of certifications, there is a cloud of uncertainty over those certifications made during the last half of a one year authorization. The overall effect produces at the local agency level a negative climate of uncertainty regarding program stability. For possibly the first time in its ten years of existence, WIC finally has a method of funding and a fairly well refined set of federal regulations which assure some continuity and reflect some degree of long range planning. Therefore, the Association, confident of the effectiveness and proven national acceptance of the Program, recommends permanent authorization.

2. There should be no targeting of program benefits beyond the revised proposed Federal regulations issued July 8, 1983 (Par. 246.7 (d)(4) Alternative C).*

There are those who suggest that WIC should better target program benefits to "those most-in-need". The most-in-need" generally connotes "those who are identified as exhibiting some type of medical, anthropometric, or hematological risk." This argument compromises the entire preventive nature of WIC. It argues that

---

*Revision attached as addendum to this paper.

WIC should be primarily therapeutic in nature. We find this troublesome. During the past ten years, health care literature has continued to support the premise that prevention of health problems is cost-effective as well as humane. This has been shown in both the public and private sector. To limit WIC to therapeutic treatment would be short-sighted and would only contribute further to our current national dilemma, the continuation of spiraling health care costs.

The July 8, 1983 proposed Federal Regulations (Par. 246.7 (d)(4) Alternative C) governing the WIC Program provides for a priority system to manage caseloads. State directors believe that relatively slight revisions in that proposed priority system would ensure that those participants at greatest risk receive WIC services. Therefore, the National Association of WIC Directors recommend that there be no targeting of benefits beyond there revised proposed Federal Regulation.

3. Non-food program costs should be defined as "direct services and operational costs which includes nutrition/health assessments and nutrition education, plus local and state administration."

Those who propose to reduce the WIC Program administrative costs because they appear too high compared to other public assistance programs apparently have a misperception of what is included under program administration.

Indeed, "administrative costs" is really a misnomer since these also include payment for many client services such as nutrition/health assessments and nutrition education, plus local and state administration which includes safe-guarding accountability of federal dollars. If such a broad definition of "administrative costs" were applied to many health service programs, one could say their costs are 100 percent administration.

The National Association of WIC Directors recommends a redefinition of "administrative costs." Allowed non-food costs are better defined as:

> Direct services and operational costs which include nutrition/health assessments and nutrition education, plus local and state administration.

4. The minimum funding for direct services and operational costs should be 20 percent of the total grant.

The more definitive statement regarding direct services and operational costs, emphasizing the significant inclusion of client services, refutes the argument of high administrative costs. In fact, it can be more justly argued that the WIC Program is remarkably efficient. It provides more services than other programs at a lower cost.

To help stretch limited Federal direct services and operational cost dollars, State and local governments have contributed in-kind resources. A 1978 survey of State and local WIC Programs found that State and local in-kind contributions (staff, office spaces, etc.) comprised 13 and 40 percent of total State and local costs. However, as State and local public health budgets and Federal funds for maternal and child health services have shrunk over the past three years, the ability to provide in-kind resources to WIC has eroded. At the same time the purchasing power of direct services and operational funding has likewise eroded because health care costs have risen faster than food costs, the base of the 20 percent direct services and operational cost funding.

WIC directors are concerned about present and future cost containment. We believe that WIC Program services are an investment in preventing higher medical expenses. Studies in Massachusetts and Missouri have shown that infants of WIC participating women have lower medical costs than infants of comparable non-WIC women. These medical savings more than offset the costs of the WIC Program food and services. WIC not only promotes good health, it saves money.

These services can only be maintained if direct services and operational funds are sufficient to pay staff and to keep clinics open. The factors above have forced WIC managers and staff to retrench in providing services already. Any further funding restrictions will reduce the effectiveness of the WIC Program in serving needy women, infants and children and may ultimately lead to higher medical costs.

Therefore, the National Association of WIC Directors recommends that the minimum funding for direct services and operational costs be no less than 20 percent of the total grant. The Association believes that even a higher percentage is justified but it leaves that decision to the wisdom and good will of those who are empowered to decide.

5. There should be no establishment of a limitation on "State Agencies" based solely on minimum participation levels.

Those currently supporting a minimum size requirement for state agencies use "high levels of administrative cost" as the argument against small state agencies. In reality, the only state agencies likely to be affected by such a requirement would be those operating programs for Native Americans. If actual dollar amounts were reviewed rather than percentages, it would reveal that the number of dollars are relatively small. For example, if we look at the Miccosouk State Agency, we observe a direct services and operational costs/food ratio of 46.33 percent. But dollars reflect $34,309 for food and $15,131 for direct services and operational costs. We feel that limiting state agencies to minimum sizes would only affect services to Native Americans. Since Native Americans have unique nutritional needs and problems, we do not feel services to this population should be sacrificed for the sake of minimal affect (in real dollar amounts) upon direct services and operational monies.

6. Administrative type rules such as "processing standards" and "public hearings" should be provided for in Federal regulations rather than legislation.

As state directors, we greatly appreciate the concern of advocacy groups that seek to more effectively control program management by writing detailed client safeguards into enabling legislation. We are equally concerned about possible rapid and dramatic deregulation which could erode the quality of the Program. As program managers, we see the question to be how to maintain quality control in the Program, without over controlling the Program so that it cannot be managed efficiently.

We are committed to ensuring effective, efficient benefits to participating clients in a most timely manner; however, we are troubled by what are sometimes unrealistic processing standards, particularly in smaller satellite clinics established primarily as a convenience to the clients, by providing services in close proximity to where clients live.

We are in favor of public input into state plans; however history has proven that legislated public hearings are not effective. Participation at hearings often involve less than five persons, with some hearings actually attracting no one.

It is the opinion of the National Association of WIC Directors that these administrative policies can better be addressed through Federal Regulations which can more effectively provide proper guidelines with greater flexibility. State agency directors are committed to the established goals of the Program an believe that with more flexibility they can pursue the attainment of the goals in a creative, responsible manner.

Legislative funding

7. The full commitment of $300 million FY 1984 supplemental funding should be honored, with funds provided far enough before July 10, 1984, to avoid program disruption.

To avert a severe crisis in the summer involving the possible dropping of approximately 1,000,000 participating clients during July, August and September, the commitment of $300 million supplemental funding must be appropriated far enough before July 10, 1984 to avoid program disruption. The need is so obvious, WIC directors cannot rationally conceive that anything less than the full commitment of Congress will be provided. We commend the clear, definitive statement of the Congressional intention as expressed in passing the Continuing Resolution.

8. The FY 1985 appropriations should be sufficient to allow a 10–15 percent increase in WIC caseloads.

The National Association of WIC Directors applauds the past support which has been provided for the WIC Program. We believe the Program has proven the merit of such wisdom. As we look to the future and the beginning of the Program's second decade, we believe that its future funding must be related to both need and cost-effectiveness.

The Congressional Budget Office (CBO) has stated that $1.471 billion will be needed to maintain current WIC caseload levels throughout FY 1985. Obviously, the FY 1985 appropriations should be no less than that projected by the CBO.

However, we are sensitive to the great number of persons in need of the Program benefits and who are potentially eligible for Program participation which we cannot serve due to limited funding. We are equally aware of the necessary tension between program expansion and budget deficits. There is no easy course. Hard decisions must be made.

As state agency directors, we feel we would be irresponsible if we failed to emphasize the great need to expansion of the Program during the next few years in an orderly, reasonable manner. [We recommend expanding the annual program authorization level by an amount equal to the determined inflationary increase plus 10–15 percent real growth per year.] The real growth increase would complement the Department's present funding formula to establish equity based on need among the states and would permit limited growth in the stabilized state agencies.

This proposal is made in good faith that it will be a positive factor in controlling future deficits.

The GAO review of the most credible WIC evaluations led them to estimate "that WIC decreases the proportion of low birth-weights for infants born to women eligible for WIC by 16 to 20 percent." The Missouri study cited by GAO documented that "For both nonwhite and white participants, the low-birthweight rates were less than one-half of the rates for comparable non-WIC mothers." Further evidence of WIC's positive effect in preventing more costly long-term medical and health costs are cited within the GAO report.

It is true that the report stated there was no conclusive evidence on the effects of the Program though it did clearly state that "the information indicates the likelihood that WIC has modestly positive effects in some areas." That the GAO report could not be more conclusive was not necessarily indicative of deficiencies within the Program limiting its intended effectiveness. The "lack of conclusive evidence" was more a problem of the size of the studies (state studies rather than national) and particular methodological imperfections (such as difficulty in establishing a "control group"). The GAO refers to this problem in underscoring "the need to design and implement better studies." It must be remembered that it was the studies cited by GAO for their quality and credibility that documented the positive outcomes referred to in this paper.

Thus, as directors, we believe that Program expansion providing positive benefits may contribute to significant savings in future medical costs. This would have a positive effect on reducing future deficits. We welcome the opportunity to be a partner in the national search for a resolution of our common fiscal problems.

9. Authorization for end-of-year funding flexibility, not exceeding 3 percent, should be granted to permit the most effective management and utilization of total funding.

Due to many uncontrollable variables, it is most difficult, if not impossible, to utilize 100 percent of funding without risking overspending during the last 30–60 days of the fiscal year or cutting participation in that period to prevent overspending. For a State to perform at less than 100 percent is to deny services to those who need program benefits. Likewise, to under-utilize total funding because of imprecise control over variables could be interpreted that Program funds are adequate or greater than need; and, could cause unwarranted reductions in future funding. Therefore, the National Association of WIC Directors recommends that the State agencies be authorized to exercise management flexibility for end-of-year funding to exceed the grant by no more than 3 percent without penalty.

10. The Special Supplemental Food Program for Women, Infants and Children [WIC] should continue as a categorical program rather than being folded into a block grant.

The National Association of WIC Directors has testified twice before Congressional Committees against consolidation of WIC and the MCH Block Grant (the Senate Subcommittee on Nutrition, February 22, 1982 and the House Subcommittee on Elementary, Secondary, and Vocational Education, March 17, 1982). The points raised in the testimony still apply and have been reaffirmed by the Association. We stand firmly on our belief that WIC's continued support has been a result of its ability to be identified as a specific service and to account for its effectiveness upon the nutritional well-being of women, infants and children. To those of us convinced that WIC will continue to prove its impact upon the health of our nation's children, such identity is imperative.

The National Association of WIC Directors has submitted these recommendations as a resource for governmental bodies and individual legislators with confidence that their consideration and adoption will enable the Special Supplemental Program for Women, Infants and Children [WIC] to effectively continue as one of the most successful preventive health programs ever established by Congress. As directors we commit ourselves to responsibly manage the Program and safeguard the accountability of Federal funds in order to provide maximum benefits to those women, infants and children who are at nutrition risk in our country.

ADDENDUM

Department of Agriculture
Food and Nutrition Service

7 CFR Part 246

Special Supplemental Food Program for Women, Infants and Children

Proposed Rules, July 8, 1983

The following is a revised form as suggested by the National Association of WIC Directors:

Par. 246.7(d)(4) Alternative C—

The following nutritional risk priority system shall be used by the competent professional authority to fill vacancies which occur after a local agency has reached its maximum participation level. The State agency may set income or other sub-priority levels within these three priority levels:

Priority 1. Applicants with special nutrition conditions. Such conditions shall be based on any combination of anthropometric or hematological measurements, other medical conditions, dietary factors, or age, as determined by the individual State agency.

Priority 2. Pregnant and breastfeeding women, and infants, other than those who qualify as priority 1.

Priority 3. Children, other than those who qualify as priority 1.

Priority 4. Postpartum women, other than those who qualify as priority 1.

National Association of WIC Directors

A STATEMENT OF CONCERNS—SUMMARY OF RECOMMENDATIONS, MARCH 9, 1984

Legislative authorization

1. The Special Supplemental Food Program for Women, Infants and Children [WIC] should be given permanent authorization prior to September 30, 1984.
2. There should be no targeting of program benefits beyond the revised proposed Federal regulations issued July 8, 1983 (par. 246.7(d)(4) alternative C).
3. Non-Food Program costs should be defined as "direct services and operational costs which includes nutrition/health assessments and nutrition education, plus local and State administration."
4. The minimum funding for direct services and operational costs should be no less than 20 percent of the total grant.
5. There should be no establishment of a limitation of "State agencies" based solely on minimum participation levels.
6. Administrative type rules such as "processing standards" and "public hearings" should be provided for in Federal regulations rather than legislation.

Legislative funding

7. The full commitment of $300 million FY 1984 supplemental funding should be honored, with the funds provided far enough before July 10, 1984 to avoid program disruption.
8. The FY 1985 appropriation should be sufficient to allow 10%-15% increase in the WIC caseload.
9. Authorization for end-of-year funding flexibility, not exceeding 3 percent, should be granted to permit the most effective management and utilization of total funding.
10. The Special Supplemental Food Program for Women, Infants and Children [WIC] should continue as a categorical program rather than folded into a block grant.

STATEMENT OF RICHARD BLOUNT, DIRECTOR, MISSOURI STATE WIC PROGRAM, PRESIDENT, NATIONAL ASSOCIATION OF WIC DIRECTORS

Mr. **Blount**. Mr. Chairman, Representatives, my name is Dick Blount. I speak to you as president of the National Association of WIC Directors. I have been the State director of the Missouri WIC Program since 1976.

I have pleasant memories of my first appearance before your committee in March 1981. You were hospitable, understanding and supportive and I consider it a privilege to be here again today to discuss with you the National Association of WIC Directors' statement of concerns regarding the Special Supplemental Food Program for Women, Infants and Children.

With your permission, I will present of the printed statement which I have given you and which, I believe, most of you probably have before you.

The National Association of WIC Directors represents the State agency directors of all the 50 States plus 31 Indian tribal organizations, Puerto Rico, the Virgin Islands, Guam and the District of Columbia. It was first conceived in 1979 as a national forum of program managers and other interested persons to act collectively on behalf of the WIC Program. It was officially organized by the adoption of its bylaws in November 1983 and the elections of officers at its first national conference February 6–9, 1984.

One of the primary functions of the association is to act as a resource for governmental bodies and individual legislators regarding issues particular to the health and nutrition of women, infants, and children and to act as an advocate for WIC clients. I am here today at your kind invitation in order that I might personally fulfill that function.

The association recognizes that this, the 10th anniversary year of the WIC Program, is one of its most critical years. Its legislation expires September 30, 1984. Though Federal funding of the program has been relatively generous in the past, it must continually seek adequate funding even in years of high Federal deficits. As we celebrate the 10th anniversary, we commend the great accomplishments of the program that have been effectively attained since its establishment by a wise and concerned Congress faced with the probable ill effects of malnutrition. in the lives of women and infants and children.

Though the U.S. Accounting Office's most recent report on WIC evaluations stated there was no conclusive evidence on the effects expected for the WIC Program, it did affirm that WIC evaluations provided favorable effects of the program. Among the GAO findings were many favorable findings which Stefan has already reported to you here today. The Missouri evaluation study cited by the GAO review as one of the most qualitative and credible WIC evaluations documented that for both nonwhite and white participants, the low birthweight rates were less than one-half of the rates for comparable non-WIC mothers. This is a particularly significant finding because infant mortality is the 12th leading cause of death in this country and a low birthweight infant is 20 times more likely to die than a normal one.

Other findings in the Missouri study include the fact that WIC participants had significantly longer lengths of pregnancy, were more likely to have a full-term pregnancy. Also the mean birthweight increased with increased length of participation. Six months basically was needed for significant positive results. It was further determined that outcome measures were more positive for nonwhites, for those with short spacing between pregnancies, for older mothers and for those with medical complications as well as heavier mothers.

That the GAO report could not be more conclusive was not necessarily indicative of deficiencies within the program. The lack of conclusive evidence was more a problem of the size of the studies, State studies, such as Missouri, versus the national study yet to be released, and particular methodological imperfections—primarily the difficulty of establishing the control group. The GAO itself refers to these problems in underscoring the need to design and implement better studies, not necessarily a better program.

Confident that the WIC Program has earned its place in the field of preventive health, the National Association of WIC Directors addresses itself to the basic concerns of legislative authorization and funding as the program begins its second decade serving the health and nutrition needs of women, infants, and children.

Congressman Bartlett this morning in the earlier hearing suggested that the people who manage programs probably have a better idea of what ought to go into legislation regulations than USDA and he was applauded. I think those people are wise. I also think that the Congressman was wise this morning. So we, as State directors and State managers, make 10 recommendations concerning legislative authorization and funding. Each recommendation is covered with detail in our statement of concerns. I shall share each recommendation with you with a minimum of comments. Later I would welcome the opportunity to discuss them at your convenience and at your request.

One, the Special Supplemental Food Program for Women, Infants and Children should be given permanent authorization prior to September 30, 1984. The logic for this recommendation is within sound management principles and the need for administrative continuity. It is most disruptive for any program to have to deal with legislative and regulatory changes each year. In many cases, it takes the greater part of a year to implement such changes.

For possibly the first time in its 10 years of existence, WIC finally has a method of funding and a fairly well refined set of Federal regulations which assure some continuity and reflect some degree of long-range planning.

Therefore, the association, confident of the effectiveness and proven national acceptance of the program, recommends permanent authorization.

Two, there should be no targeting of program benefits beyond the revised proposed Federal regulations issued July 8, 1983—paragraph 246.7(d)(4) alternative C. There is an addendum to your paper that shows the revision suggested by the National Association of WIC Directors.

There are those who suggest that WIC should better target program benefits to those most in need. The most in need generally connotes those who are identified as exhibiting some type of medical, anthropometric or hematological risk. This argument compromises the entire preventive nature of WIC. It argues that WIC should be primarily therapeutic in nature. We find this troublesome.

During the past 10 years, health care literature has continued to support the premise that prevention of health problems is cost-effective as well as humane. This has been shown both in the private and the private sectors. To limit WIC to therapeutic treatment would be short-sighted and would only contribute further to our current national dilemma, the continuation of spiraling health care costs.

There are proposed Federal regulations which provide for a priority system which we believe would ensure that those participants at greatest risk receive WIC benefits.

Three, nonfood program costs should be defined as "direct services and operation costs which includes nutrition education assessments and nutrition education, plus local and state administration."

Those who propose to reduce the WIC Program administrative costs because they appear too high compared to other public assistance programs apparently have a misperception of what is included under program administration.

"Administrative costs" itself is a misnomer since these also include payment for many client services, such as nutrition health assessments and nutrition education, plus local and State administration, which includes safeguarding accountability of Federal dollars. If such a broad definition of administrative costs were applied to many health service programs, one could say their costs are 100 percent administration.

We recommend a redefinition of "administrative costs." Allowed nonfood costs are better defined as "direct services and operational costs which include the nutrition/health assessments and nutrition education, plus local and State administration."

Four, the minimum funding for direct services and operational costs should be no less than 20 percent of the total grant.

The more definitive statement regarding direct services and operational costs, emphasizing the significant inclusion of client services, refutes the argument of high administrative costs. In fact, it can be more justly argued that the WIC Program is remarkably efficient. It provides more services than other programs at a lower cost.

To help stretch limited Federal direct services and operational dollars, State and local governments have contributed in-kind resources. A 1978 survey of State and local WIC programs found that State and local in-kind contributions—staff, office space, and so forth—comprised 13 and 40 percent of the total State and local costs. However, as State and local public health budgets and Federal funds have shrunk over the past 3 years, the ability to provide in-kind services has also eroded. At the same time, the purchasing power of direct services and optional funding has eroded because health care costs have risen faster than food costs, the base of the 20 percent direct services and operational cost funding.

WIC directors are concerned about present and future cost containment like everybody else. We believe that WIC Program services are an investment in preventing higher medical expenses. Studies in Massachusetts and Missouri has shown that infants of WIC participating women have lower medical costs than infants of comparable non-WIC women. These medical services, more often, offset the cost of the WIC Program food and services. WIC not only promotes good health, it saves money.

Therefore, we recommend that the minimum funding for direct services and operational costs be no less than 20 percent of the total grant. The association believes that even a higher percentage is justified but it leaves that decision to the wisdom and good will of those who are empowered to decide.

Five, there should be no establishment of a limitation on State agencies based solely on minimum participation levels.

Those currently supporting a minimum size requirement for State agencies use "high levels of administrative cost" as the argument against small State agencies. In reality, the only State agencies likely to be affected by such a requirement would be those operating programs for native Americans. If actual dollar amounts were reviewed rather than percentages, it would reveal that the number of dollars are relatively small.

We feel that limiting State agencies to minimum sizes would only affect services to native Americans. Native Americans have unique nutritional needs and problems, we do not feel services to this population should be sacrificed for the sake of minimal effect in real dollar amounts upon direct services and operational moneys.

Six, administrative type rules such as "processing standards" and "public hearings" should be provided for in Federal regulations rather than legislation.

As State directors, we greatly appreciate the concern of advocacy groups that seek to more effectively control program management by writing detailed client safeguards into enabling legislation. We are equally concerned about possible rapid and dramatic deregulation which could erode the quality of the program. We see the question to be how to maintain quality control in the program, without over controlling the program so that it cannot be managed efficiently.

It is our opinion that these administrative policies can better be addressed through Federal regulation. We are committed to the established goals of the program and believe that with more flexibility we can reach the goals in a creative, responsible manner.

Now the legislative funding, seven. The full commitment of $300 million fiscal year 1984 supplemental should be honored, with the funds provided for enough before July 10, 1984, to avoid program disruption.

To avert a severe crisis in the summer involving the possible dropping of approximately 1 million participating clients during July, August, and September, the commitment of $300 million supplemental funding must be appropriated within the next 60 days. The need is so obvious, we cannot rationally conceive that anything less than the full commitment of Congress will be provided. We commend the clear, definitive statement of the intent of Congress as expressed in passing the continuing resolution.

Eight, the fiscal year 1985 appropriations should be sufficient to allow a 10- to 15-percent increase in the WIC caseload.

We applaud the past support which has been provided for the WIC Program. We believe that the program has proven the merit of such wisdom. As we look to the future and the beginning of the program's second decade, we believe that its future must be related to both need and cost effectiveness.

The Congressional Budget Office has stated that $1.471 billion will be needed to maintain current WIC caseloads throughout fiscal year 1985. Obviously, the 1985 appropriations should be no less than that projected by the CBO. However, we are sensitive to the great number of persons in need of the program benefits who are essentially eligible for program participation which we cannot serve due to limited funding. We are equally aware of the necessary tension between program expansion and budget deficits. There is no easy course. Hard decisions must be made.

As State directors, we feel we would be irresponsible if we failed to emphasize the great need for expansion of the program during the next few years in an orderly, reasonable manner.

We recommend expanding the annual program authorization level by an amount equal to the determined inflationary increase, plus 10 to 15 percent real growth per year. The real growth increase would complement the department's present funding formula to establish equity based on need among the States and would permit limited growth in the stabilized State agencies.

This proposal is made in good faith that it will be a positive factor in controlling future deficits.

I have already referred to the GAO report on WIC evaluations. There is evidence that WIC does have a positive effect in preventing more costly, long-term medical and health costs. Thus, as directors, we believe that program expansion providing positive benefits may contribute to significant savings in future medical costs. This would have a positive effect on reducing future deficits.

Nine, authorization for yearend funding flexibility, not exceeding 3 percent, should be granted to permit the most effective management and utilization of total funding.

Due to many uncontrollable variables, it is most difficult, if not impossible, to utilize 100 percent of funding without risking overspending during the last 30 days or 60 days of the fiscal year or cutting participation in that period to prevent overspending. For a State to perform at less than 100 percent is to deny services to those who need program benefits. Likewise, to underutilize total funding because of imprecise control over variables could be interpreted that program funds are adequate or greater than need and could cause unwarranted reductions in future funding. Therefore, we recommend that the State agencies be authorized to exercise management of flexibility for end-of-year funding to exceed the grant by no more than 3 percent without penalty.

Finally, the Special Supplemental Food Program for Women, Infants, and Children should continue as a categorical program rather than being voted into a block grant.

We stand firmly on our belief that WIC's continued support has been a result of its ability to be identified as a specific service and to account for its effectiveness upon the nutritional well-being of women, infants, and children. To those of us convinced that WIC will continue to prove its impact upon the health of our Nation's children, such identity is imperative.

The National Association of WIC Directors has submitted these recommendations as a resource for governmental bodies and individual legislators with confidence that their consideration and adoption will enable the program to continue its good work. We commit ourselves to responsibly manage the program, safeguarding the accountability of Federal funds to maximize the benefits to the women, infants, and children of this country.

Thank you, Mr. Chairman.

Mr. KILDEE. Thank you, Mr. Blount. You mentioned that the last time that you testified before this committee was in March 1981. That is about the same time that Richard Lyng, the Under Secretary of Agriculture testified. I think he told us, in effect, that the WIC Program was too successful, that the need was greater than had been anticipated and that, therefore, it was getting too costly. I really couldn't follow that convoluted logic that the need was great and therefore, the program's funding would have to be cut.

Mr. BLOUNT. Mr. Chairman, I was here that day and I, too, was confused. I am glad to know that the chairman shared my confusion.

Mr. KILDEE. I can recall that day very, very clearly. I spoke to him about that later. It confused the committee and caused a great deal of consternation and some anger on the committee. So your statements both on that day and today have helped balance the record.

Last week the administration testified in support of their proposal to extend this program for 1 year. What negative effects might there be for the program, if it were extended for only 1 year? Any of you may try to answer or give your views on that.

Mr. BLOUNT. I would simply speak and let my colleagues do the same, I think it has already been stated very clearly by Mr. Zimmerman—I know we have experienced it in Missouri—a 1-year authorization only creates total chaos because it creates a negative climate of instability in the program, particularly in the case of a program like WIC that has 6-month certification. It takes you the first half of the year to get the implementation and then the certifications done in the second half are really done under a negative cloud of uncertainty and creates a psychological climate that many of the local agencies are afraid that they will put people in the program and can't sustain them and so participation goes down.

Mr. KILDEE. The appropriation process for the present year has created some problem, has it not?

Mr. BLOUNT. We will be faced with a real problem if the appropriation, as I said, within 60 days is not clarified. As Mr. Zimmerman, again, said, and I concurred, if you go beyond that—it takes about 2 months' leadtime on issuing food instruments. If the State agency is without general revenue money to back those up, do not know for sure of the amount of the Federal money, then you have to start putting the brakes on prematurely.

Mr. KILDEE. Does anyone else care to comment on what would happen if we were to authorize this just for 1 more year? Mr. Zimmerman?

Mr. ZIMMERMAN. Mr. Chairman, as I mentioned before, the consistently tardy or late grant award notices and year-to-year existence in terms of at least the grant award, has caused problems and even as late as this year. For example, with job's bill moneys, we reached 140,714 participants in September and one of the reasons we had a drop from September to October of almost 4,000 participants which were eventually returned to the program was that many of the agencies that I contract with could not continue to support the level of staffing that I afforded through the job's bill moneys into the next fiscal year because I could not assure them of sufficient funds to do that. So we had extremely large agencies, such as Philadelphia and other agencies that cut staff and therefore cut their ability to provide services to just the current caseload in addition to replacing the natural attrition that occurs.

These sort of things go on at various times in the year. What happens is we have picked the worst time of the year in order to have this kind of confusion and that is the summer. What happens in the summer is you traditionally have no-show problems due to good weather, the lack of school and things of that nature, where, many times it is more difficult to schedule appointment and to deal with no-shows and to maintain some level of effort in addition to the vacations of staff.

So what happens during the summer is exacerbated because of those other conditions.

Mr. KILDEE. Ms. Harvey, do you care to comment on that?

Ms. HARVEY. No, thank you.

Mr. KILDEE. You would just corroborate that.

This program is one that I think has just been very successful and because it has been successful we should make sure that we continue to fund it at an appropriate level. I have always been concerned with nutrition. Having taught high school for 10 years of my life, I saw the importance of nutrition to children at that level. A child's early years and the years when a woman is bearing or nursing a child, are also extremely important, I think.

In my own family I have three children. My oldest boy is 14, my daughter is 12, and my younger son is 11. I am very thankful that we were able to provide my wife and those children with proper nutrition. I really want to make sure that all of the women and children of America have that which my wife and children were able to have. As a member of this committee and a Member of Congress, I am determined to do that; to give you people the tools to make sure that no woman, no child goes without proper nutrition during those very, very crucial stages of a child's development.

You are really involved in something that is so important that it should be a top priority of Government. Cap Weinberger, when Dave Stockman tells him, "You have to stay within these parameters of the budget," refuses. I wish that some of the people administering the feeding and nutrition programs, would also refuse to accept funding limitations and that they, on the other end of the avenue here in Washington, would be greater advocates of their programs. Because they aren't, very often, as successful in their advocacy as they should be, it's people like yourselves who are clearly good advocates, that must prevail upon the Congress to do what should be done for these very, very important people, the women and children of this country.

Your testimony has been excellent. I have stayed here today because I do have this strong feeling for the WIC Program and I wanted to get not only your wisdom on this program, but your strong feelings on the program and you have communicated both to this committee very well.

Mr. Hayes, do you have questions?

Mr. HAYES. I don't really have a question, Mr. Chairman. I just want to comment, as you have done, as to the good testimony that we have heard from the witnesses. Here again, we have got a good example of people who are pointing out the value of the programs, particularly the WIC Program to women, infants, and children. But at the same time, they point out the inadequacies of the funding level in order to continue those kind of programs.

So I think the ball has again been passed to us in Congress and what we can do about it remains to be seen. I have my doubts. Thank you.

Mr. KILDEE. Also, Mr. Goodling, who has been a strong member of this committee with whom I enjoy working very much and who has been very helpful on nutrition programs, he had a conflict this morning—in his position he has many because he has many responsibilities in Congress. Mr. Goodling would like to submit some written questions, particularly to you, Mr. Zimmerman, and we will leave the record open for that purpose.

Mr. KILDEE. With that, the committee will stand adjourned. Thank you very much.

[Whereupon, at 12:06 p.m., on Tuesday, March 13, 1984, the subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

COUNCIL FOR AMERICAN PRIVATE EDUCATION,
Washington, DC, April 3, 1984.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN, On behalf of the Council for American Private Education (CAPE) I write to support H.R. 7 and to share our concerns about the Administration's FY 1985 budget proposals affecting child nutrition programs which, if enacted, would eliminate many private school students from participation in the Federal school nutrition programs. The Council for American Private Education (CAPE) represents, through its 15 member organizations, about 80% of all private schools.

First, we commend the efforts of the Chairman and the members of the Subcommittee on Elementary, Secondary and Vocational Education who worked successfully to increase the authorization and extension of several child nutrition programs, including school lunch. There is, however, one area for which we would recommend an improvement. The current $1500 ceiling on private school tuition for determining eligibility is on its face discriminatory and raising it to $2500 (the provision in the pending House bill) does not relieve that discrimination and provide equitable participation for private school students. The Administration's basic assumption that students at such high cost schools come from wealthy families and are not in need of a government subsidized lunch is wrong. It ignores the social and economic composition of student bodies in schools which spend millions of dollars annually on financial aid for low income families. Thus, this provision has the effect of hurting students Congress intended to benefit. We support the elimination of the tuition limitation altogether.

Also, as you are well aware, the President has proposed to eliminate the Department of Agriculture's administrative authority for local school lunch and child nutrition programs. If enacted, this proposal would, according to USDA's statistics, affect approximately 175,140 students in 684 nonpublic schools who in 1981 participated in the school nutrition programs. It is unacceptable that in an attempt to eliminate an "administrative burden" USDA is reversing a 38 year commitment to serve needy children in nonpublic schools. The proposal wrongly assumes that states will pick up the responsibility and provide services to nonpublic school students. The critical problem is that some states are unable to do so because of constitutional prohibitions against program administration.

We urge you and the members of the Committee on Education and Labor to take action to prevent the Agriculture Department from eliminating its responsibility to serve nonpublic school students.

We respectfully request that this letter be submitted as part of the hearing record on H.R. 7.

With all best wishes,
Sincerely,

ROBERT L. SMITH, *Executive Director.*

○